

LAW OFFICES OF  
J. GILBERT PARRISH, JR.

605 COURT STREET, SUITE 1  
SAVANNAH, TENNESSEE 38372

J. GILBERT PARRISH, JR.  
CARMA DENNIS MCGEE

TELEPHONE (901) 925-1966

FACSIMILE (901) 925-1130

November 23, 1999

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Application of Antioch Water Company to  
Increase Its Rates  
Docket No. 99-00584

Dear Mr. Waddell:

I am enclosing herewith the response to TRA's request for supplementary information dated September 22, 1999, for the above-referenced matter. I have also enclosed thirteen copies of the same.

If you have any questions or if we can be of further assistance please do not hesitate to call.

Sincerely,



Carma Dennis McGee

CDM/rlb

Enclosures

FILE

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605 COURT STREET, SUITE 1  
SAVANNAH, TENNESSEE 38372

J. GILBERT PARRISH, JR.  
CARMA DENNIS MCGEE

RECEIVED  
TELEPHONE (901) 925-1966  
FACSIMILE (901) 925-1130  
NOV 23 1999  
EXECUTIVE SECRETARY

November 23, 1999

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Application of Antioch Water Company to Increase Its Rates  
Docket No. 99-00584

Dear Mr. Waddell:

The following supplementary information is provided pursuant to your request:

1. Historical financial statements of Antioch Water Company for 1996, 1997, and 1998.

**There have never, until now, been a request for financial statements.  
Antioch Water Co. has never had a financial statement.**

2. Number of residential customers billed by month for 1998 and 1999. Number of residential customers forecasted for the calendar year 2000.

**We bill Quarterly:**

**1998: 258, 258, 245 and 241  
1999: 246, 243, 244 and forecasted 244  
2000: forecasting 244 per quarter**

3. Number of tap fees received in 1999. Number of tap fees forecasted for the calendar year 2000.

**Antioch Water does not charge tap fees**

4. Number of disconnect and reconnect fees collected in 1998 and 1999.  
**1998: None**

FILE

**1999: None**

5. Provide a trial balance at December 31, 1997 and December 31, 1998 and for the 6 months ended June 30, 1999.

**See Attached**

6. Will the salaries of the Partners be paid out monthly and subject to payroll taxes?

**Yes, partners guaranteed wages will be monthly. The partners guaranteed wages are not subject to payroll taxes.**

7. Provide substantiation for the rate case expenses of \$4,000 in legal fees and \$1,500 in accounting fees.

**These are fees connected with projected time to be taken to assist client in obtaining rate increase from TRA at the beginning of TRA's initial request for information.**

8. Provide a schedule detailing the taxes and license fees paid in 1998, totaling \$1,895.

**See Attached**

9. Provide a schedule detailing the professional fees paid in 1998 totaling \$1,562.

**See Attached**

10. Provide a schedule detailing the repairs and maintenance expenses of \$5,700 needed on the system now. Will any of these expenses be capitalized as required by the Uniformed System of Accounts?

|                                       |                        |
|---------------------------------------|------------------------|
| <b>A. Rebuild Chlorination System</b> | <b>\$ 900.00</b>       |
| <b>B. Replace Old Gate Valves</b>     | <b>800.00</b>          |
| <b>C. Pump House repairs-Parts</b>    | <b>1,500.00</b>        |
| <b>Pump House repairs-Labor</b>       | <b><u>2,500.00</u></b> |
| <b>Total</b>                          | <b>\$5,700.00</b>      |

**None of the above expenses will prolong the life of the above assets, it will keep them in operating order only. Therefore, none of the above expenses will be capitalized.**

11. When will the Company borrow the \$125,000 needed for capital additions? Provide a schedule showing the calculation of the \$5,157 estimated interest expense for 1999.

**The \$125,000 will be borrowed when TRA has given the Company permission for a rate increase.**

#8

Job  
3-6-99

# Taxes & Licenses

## Antioch Water Co

12/31/98

| Date                        | Ref      | Amt     | Description                                |
|-----------------------------|----------|---------|--|
| 1998                        |          |         |  |
| 1 18 TN Dept. of Revenue    | CD 986 ③ | 349.00  | Dec. '97 Sales Tax                         |
| 28 Treasurer State of TN    | ✓ 992    | 40.00   | Renewal Appl. - Randy's Lic.               |
| 2 14 TN Dept. of Revenue    | ✓ 997 ③  | 719.00  | Jan '98 Sales Tax                          |
| 27 County Clerk             | ✓ 1002   | 58.75   | License Plate                              |
| 3 5 Henry Co. Justice       | ✓ 1010   | 1796.00 | Property Tax                               |
| 14 TN Dept. of Revenue      | ✓ 1013 ③ | 118.00  | Feb. '98 Sales Tax                         |
| 4 20 ✓ ✓ ✓                  | ✓ 1029 ③ | 362.00  | Mar. '98 Sales Tax                         |
| 5 21 ✓ ✓ ✓                  | ✓ 1046 ③ | 662.00  | Apr. '98 Sales Tax - Pen. 32 <sup>00</sup> |
| 6 17 ✓ ✓ ✓                  | ✓ 1056 ③ | 39.00   | May '98 ✓ ✓                                |
| 7 17 ✓ ✓ ✓                  | ✓ 1075 ③ | 535.00  | June '98 ✓ ✓                               |
| 27 Paris Landing Fire Dept. | ✓ 1081 ① | 25.00   | Advertising                                |
| 8 18 TN Dept. of Revenue    | ✓ 1092 ③ | 340.00  | July '98 Sales Tax                         |
| 9 17 ✓ ✓ ✓                  | ✓ 1104 ③ | 31.00   | Aug '98 ✓ ✓                                |
| 10 20 ✓ ✓ ✓                 | ✓ 1116 ③ | 442.00  | Sept. ✓ ✓ ✓                                |
| 11 17 ✓ ✓ ✓                 | ✓ 1125 ③ | 536.00  | Oct. ✓ ✓ ✓                                 |
| 12 4 ✓ ✓ ✓                  | ✓ 1134 ③ | 50.00   | Nov. ✓ ✓ ✓                                 |

6102.75

D3 To reclassify errors  
in posting:

Advertising  
Penalties  
Sales Taxes Paid

① <2500>  
② <3200>  
③ <415100>

1894.75

#9

CB  
3/2/99

# Professional Fees

## Antioch Water Co.

12-31-98

| Date  |                                  | Ref.    | Amt   | Description                                     |
|-------|----------------------------------|---------|-------|---|
| 1998  |                                  |         |       |   |
| 3 19  | Jerry C. Bailey, CPA             | CD 1016 | 12000 | 197 Tax Return                                  |
| 6 23  | Jed Fields                       | ✓ 1062  | 2300  | Bank request fee + filing fee (641 N. Property) |
| 7 10  | ✓ ✓                              | ✓ 1072  | 2500  | 1st Bank & Register ✓                           |
| 7 13  | Environmental Science Corp.      | ✓ 1073  | 4000  | Water Sample                                    |
| 7 27  | In. Dept. of Environment + Cons. | ✓ 1080  | 1500  | Facility Maint. Fee                             |
| 9 1   | Randy Allen                      | ✓ 1097  | 4200  | UPS - Water Samples 3 times                     |
| 10 29 | ✓ ✓                              | ✓ 1118  | 737   | Water Sample                                    |
| 11 5  | Environmental Science Corp.      | ✓ 1122  | 3000  | Water Sample                                    |
| 12 13 | Randy Allen                      | ✓ 1135  | 4442  | Ship Water Samples                              |

156179

Supplemental Schedules  
Company: ANTIOCH WATER COMPANY

Accrual # 12

1998  
EIN: 62-1528056

Next Year Depreciation Asset Listing, Form 1065 Line 16a

| Asset<br># Description     | T | Acq.<br>Date | Pct. Inv<br>Used Cr. | Cost<br>Basis | Depr<br>Method | Conv | Est<br>Life | Prior<br>Depr. | Sec<br>179 | 1999<br>Depr |
|----------------------------|---|--------------|----------------------|---------------|----------------|------|-------------|----------------|------------|--------------|
| 1 '79 FORD PICKUP          | N | 03/31/93     | 100% N               | 3,000         | MACRS DDB      | HY   | 5           | 3,000          | 0          | 0            |
| 2 10' UTILITY TRAILER      | N | 03/31/93     | 100% N               | 1,000         | MACRS DDB      | HY   | 5           | 1,000          | 0          | 0            |
| 3 12' UTILITY TRAILER      | N | 03/31/93     | 100% N               | 2,400         | MACRS DDB      | HY   | 5           | 2,400          | 0          | 0            |
| 4 BACKHOE WITH TRENCHER    | N | 03/31/93     | 100% N               | 10,000        | MACRS DDB      | HY   | 5           | 10,000         | 0          | 0            |
| 5 1 TON TRUCK              | N | 10/18/93     | 100% N               | 1,520         | MACRS DDB      | HY   | 5           | 1,520          | 0          | 0            |
| 6 PUMPHOUSE                | R | 03/31/93     | 100% N               | 8,000         | SL             | MM   | 39          | 1,179          | 0          | 205          |
| 7 FILE CABINET             | N | 01/21/96     | 100% N               | 107           | MACRS DDB      | HY   | 7           | 60             | 0          | 13           |
| 8 VARIOUS HANDTOOLS        | N | 03/31/93     | 100% N               | 1,800         | SL             | HY   | 15          | 690            | 0          | 120          |
| 9 ELEC. TESTING TOOL       | N | 03/31/93     | 100% N               | 250           | SL             | HY   | 15          | 97             | 0          | 17           |
| 10 LINES & TAPS            | N | 03/31/93     | 100% N               | 32,600        | SL             | HY   | 15          | 12,496         | 0          | 2,173        |
| 11 (4) WELLS WITH NO PUMPS | N | 03/31/93     | 100% N               | 7,500         | SL             | HY   | 15          | 2,875          | 0          | 500          |
| 12 TAMPER                  | N | 03/31/93     | 100% N               | 500           | MACRS DDB      | HY   | 5           | 500            | 0          | 0            |
| 13 PUMPS & PIPING          | N | 03/31/93     | 100% N               | 15,000        | SL             | HY   | 15          | 5,750          | 0          | 1,000        |
| 14 FUSE BOX                | N | 09/25/93     | 100% N               | 240           | SL             | HY   | 15          | 84             | 0          | 16           |
| 15 CHEMICAL FEEDPUMP       | N | 10/28/93     | 100% N               | 251           | SL             | HY   | 15          | 87             | 0          | 17           |
| 16 KATO TRACTOR            | N | 04/26/96     | 100% N               | 17,500        | MACRS DDB      | HY   | 5           | 0              | 17,500     | 0            |
| 17 GENERATOR               | N | 03/31/93     | 100% N               | 2,000         | MACRS DDB      | HY   | 5           | 2,000          | 0          | 0            |
| 18 SALESTAX-TRACTOR        | N | 01/01/97     | 100% N               | 816           | MACRS DDB      | HY   | 5           | 424            | 0          | 157          |
| Prior Year Totals          |   |              |                      |               |                |      |             | 44,162         | 0          |              |
| Current Year Totals        |   |              |                      | 104,484       |                |      |             |                | 0          | 4,218        |

**Supplemental Schedules**  
**Company: ANTIOCH WATER COMPANY**

TAX

**1998**  
**EIN: 62-1528056**

Form 4562 Asset Listing, Form 1065 Line 16a

| Asset               |                         | Acq. | Pct. Inv | Cost     | Depr   | Conv      | Est  | Prior  | Sec    | 1998   |       |
|---------------------|-------------------------|------|----------|----------|--------|-----------|------|--------|--------|--------|-------|
| #                   | Description             | T    | Date     | Used Cr. | Basis  | Method    | Life | Depr.  | 179    | Depr   |       |
| 1                   | 79 FORD PICKUP          | N    | 03/31/93 | 100% N   | 3,000  | MACRS DDB | HY   | 5      | 2,777  | 0      | 223   |
| 2                   | 10' UTILITY TRAILER     | N    | 03/31/93 | 100% N   | 1,000  | MACRS DDB | HY   | 5      | 926    | 0      | 74    |
| 3                   | 12' UTILITY TRAILER     | N    | 03/31/93 | 100% N   | 2,400  | MACRS DDB | HY   | 5      | 2,222  | 0      | 178   |
| 4                   | BACKHOE WITH TRENCHER   | N    | 03/31/93 | 100% N   | 10,000 | MACRS DDB | HY   | 5      | 9,257  | 0      | 743   |
| 5                   | 1 TON TRUCK             | N    | 10/18/93 | 100% N   | 1,520  | MACRS DDB | HY   | 5      | 1,407  | 0      | 113   |
| 6                   | PUMPHOUSE               | R    | 03/31/93 | 100% N   | 8,000  | SL        | MM   | 39     | 974    | 0      | 205   |
| 7                   | FILE CABINET            | N    | 01/21/96 | 100% N   | 107    | MACRS DDB | HY   | 7      | 41     | 0      | 19    |
| 8                   | VARIOUS HANDTOOLS       | N    | 03/31/93 | 100% N   | 1,800  | SL        | HY   | 15     | 570    | 0      | 120   |
| 9                   | ELEC. TESTING TOOL      | N    | 03/31/93 | 100% N   | 250    | SL        | HY   | 15     | 80     | 0      | 17    |
| 10                  | LINES & TAPS            | N    | 03/31/93 | 100% N   | 32,600 | SL        | HY   | 15     | 10,323 | 0      | 2,173 |
| 11                  | (4) WELLS WITH NO PUMPS | N    | 03/31/93 | 100% N   | 7,500  | SL        | HY   | 15     | 2,375  | 0      | 500   |
| 12                  | TAMPER                  | N    | 03/31/93 | 100% N   | 500    | MACRS DDB | HY   | 5      | 463    | 0      | 37    |
| 13                  | PUMPS & PIPING          | N    | 03/31/93 | 100% N   | 15,000 | SL        | HY   | 15     | 4,750  | 0      | 1,000 |
| 14                  | FUSE BOX                | N    | 09/25/93 | 100% N   | 240    | SL        | HY   | 15     | 68     | 0      | 16    |
| 15                  | CHEMICAL FEEDPUMP       | N    | 10/28/93 | 100% N   | 251    | SL        | HY   | 15     | 70     | 0      | 17    |
| 16                  | KABOTA TRACTOR          | N    | 04/26/96 | 100% N   | 17,500 | MACRS DDB | HY   | 5      | 0      | 17,500 | 0     |
| 17                  | GENERATOR               | N    | 03/31/93 | 100% N   | 2,000  | MACRS DDB | HY   | 5      | 1,852  | 0      | 148   |
| 18                  | SALESTAX-TRACTOR        | N    | 01/01/97 | 100% N   | 816    | MACRS DDB | HY   | 5      | 163    | 0      | 261   |
| Prior Year Totals   |                         |      |          |          |        |           |      | 38,318 | 17,500 |        |       |
| Current Year Totals |                         |      |          |          |        |           |      |        | 0      | 5,844  |       |

Supplemental Schedules  
Company: ANTIOCH WATER COMPANY

Accrual #12

1998  
EIN: 62-1528056

Form 4562 Schedules, Form 1065 Line 16a  
State Depreciation

TRA TRA

| #                   | Asset Description       | Acq. Date | Cost Basis | ST Life | Depr Method | Conv | ST Prior | Reg. Depr | <del>ST</del> Depr | <del>ST</del> Adj |
|---------------------|-------------------------|-----------|------------|---------|-------------|------|----------|-----------|--------------------|-------------------|
| 1                   | 79 FORD PICKUP          | 03/31/93  | 3,000      | 5       | MACRS DDB   | HY   | 2,777    | 223       | 223                | 0                 |
| 2                   | 10' UTILITY TRAILER     | 03/31/93  | 1,000      | 5       | MACRS DDB   | HY   | 926      | 74        | 74                 | 0                 |
| 3                   | 12' UTILITY TRAILER     | 03/31/93  | 2,400      | 5       | MACRS DDB   | HY   | 2,222    | 178       | 178                | 0                 |
| 4                   | BACKHOE WITH TRENCHER   | 03/31/93  | 10,000     | 5       | MACRS DDB   | HY   | 9,257    | 743       | 743                | 0                 |
| 5                   | 1 TON TRUCK             | 10/18/93  | 1,520      | 5       | MACRS DDB   | HY   | 1,407    | 113       | 113                | 0                 |
| 6                   | PUMPHOUSE               | 03/31/93  | 8,000      | 39      | SL          | MM   | 974      | 205       | 205                | 0                 |
| 7                   | FILE CABINET            | 01/21/96  | 107        | 7       | MACRS DDB   | HY   | 41       | 19        | 19                 | 0                 |
| 8                   | VARIOUS HANDTOOLS       | 03/31/93  | 1,800      | 15      | SL          | HY   | 570      | 120       | 120                | 0                 |
| 9                   | ELEC. TESTING TOOL      | 03/31/93  | 250        | 15      | SL          | HY   | 80       | 17        | 17                 | 0                 |
| 10                  | LINE & TAPS             | 03/31/93  | 32,600     | 15      | SL          | HY   | 10,323   | 2,173     | 2,173              | 0                 |
| 11                  | (4) WELLS WITH NO PUMPS | 03/31/93  | 7,500      | 15      | SL          | HY   | 2,375    | 500       | 500                | 0                 |
| 12                  | TAMPER                  | 03/31/93  | 500        | 5       | MACRS DDB   | HY   | 463      | 37        | 37                 | 0                 |
| 13                  | PUMPS & PIPING          | 03/31/93  | 15,000     | 15      | SL          | HY   | 4,750    | 1,000     | 1,000              | 0                 |
| 14                  | FUSE BOX                | 09/25/93  | 240        | 15      | SL          | HY   | 68       | 16        | 16                 | 0                 |
| 15                  | CHEMICAL FEEDPUMP       | 10/28/93  | 251        | 15      | SL          | HY   | 70       | 17        | 17                 | 0                 |
| 16                  | KABOTA TRACTOR          | 04/26/96  | 17,500     | 5       | SL          | HY   | 7,000    | 0         | 3,500              | -3,500            |
| 17                  | GENERATOR               | 03/31/93  | 2,000      | 5       | MACRS DDB   | HY   | 1,852    | 148       | 148                | 0                 |
| 18                  | SALESTAX-TRACTOR        | 01/01/97  | 816        | 5       | MACRS DDB   | HY   | 163      | 261       | 261                | 0                 |
| Prior Year Totals   |                         |           |            |         |             |      | 45,318   |           |                    |                   |
| Current Year Totals |                         |           | 104,484    |         |             |      |          | 5,844     | 9,344              | -3,500            |



WTB - General Exam - TRA  
 Antioch Water Co - PTR

1 of 5

| a/c # |                           | 12-31-99 |         | 11/99 - 6/30/99 |           | Education |        | Operations |    | Balance Sheet |         |
|-------|---------------------------|----------|---------|-----------------|-----------|-----------|--------|------------|----|---------------|---------|
|       |                           | DR       | CR      | DR              | CR        | DR        | CR     | DR         | CR | DR            | CR      |
| 100   | Cash in bank - M&K        | 4130985  |         | ② 3042035       | ① 3311573 | ① 211944  |        |            |    | 4134441       |         |
| 105   | Cash in bank - GST Exempt | 382097   |         | ③ 165639        | ③ 130000  |           |        |            |    | 419736        |         |
| 80    | Accounts Pay. - J&J       | 150000   |         |                 |           |           |        |            |    | 150000        |         |
| 85    | Accts. Pay. - Other       | 131958   |         | ③ 140644        |           | ③ 3406    |        |            |    | - 0 -         |         |
| 52    | Building                  | 800000   |         |                 |           |           |        |            |    | 800000        |         |
| 54    | Equipment                 | 17164100 |         | ① 134350        |           | ③ 134350  |        |            |    | 8033800       |         |
| 55    | Office Furniture & Fix.   | 10659    |         |                 |           |           |        |            |    | 10659         |         |
| 57    | Vehicles                  | 181300   |         |                 |           |           |        |            |    | 181300        |         |
| 59    | Others for Depn.          |          | 5446200 |                 |           | ③ 173000  |        |            |    | 5444900       |         |
|       |                           | 11519699 | 5446200 | 3342034         | 3582037   | 4697159   | 178000 |            |    | 11719236      | 5614200 |

WTB - General Basis - TRA  
 Contract Water Co. - PRR  
 6-30-94

2 of 5

|     |                              | 12-31-99<br>Required<br>DR | 1/1/99 -<br>4/30/99<br>Required<br>DR | Required<br>DR | Required<br>DR | Required<br>DR | Required<br>DR |
|-----|------------------------------|----------------------------|---------------------------------------|----------------|----------------|----------------|----------------|
| 200 | Account Pay. Inv.            | 15357                      |                                       | 8312           | 2072000        |                | 7046           |
| 201 | General Fund Inv. Pay.       | -0-                        |                                       |                |                |                | 2072000        |
| 205 | Water Pay - GST Incentive    | 34423                      | 248009                                |                | 6746           |                | -0-            |
| 206 | ✓ - First Bank               | -0-                        | 500000                                |                | 188 03         |                | 518803         |
| 210 | Water Deposit - General Pay. | 465000                     | 20000                                 | 62044          |                |                | 400756         |
| 215 | Salary - Water Pay. Inv.     | 46900                      |                                       | 7000           |                |                | 39300          |
| 280 | Drawing - Bond A             | -0-                        | 714098                                |                | 123497         |                | 53190          |
| 285 | Drawing - Bond A             | -0-                        | 714098                                |                | 123497         |                | 53435          |
| 290 | Capital - Bond A             | 2200590                    |                                       |                |                |                | 2940590        |
| 295 | Capital - Bond A             | 2239407                    |                                       |                |                |                | 2394007        |
|     |                              | 6084477                    | 1729973                               | 520000         | 78177          | 2701428        | 1078125        |
|     |                              |                            |                                       |                |                |                | 857304         |



MTB - General Range - TRA  
 6-30-99 Water Co. - PTE

4 of 5

| 46# |                          |  |  | 11/99 - 10/31/99<br>Manufacturing<br>DE |  |  |  | Adjustments<br>DE | Operational<br>DE | Balance<br>DE | Sheet<br>DE |
|-----|--------------------------|--|--|---|--|--|--|-------------------|-------------------|---------------|-------------|
| 435 | Advertising              |  |  |   |  |  |  |                   |                   |               |             |
| 440 | Travel Expenses          |  |  |   |  |  |  | ① 156845          | 156845            |               |             |
| 445 | Medical Entertainment    |  |  | ① 2601                                  |  |  |  |                   | 2601              |               |             |
| 450 | Chemicals                |  |  |   |  |  |  |                   |                   |               |             |
| 455 | Water Tests              |  |  |   |  |  |  |                   |                   |               |             |
| 460 | Legal and Auditing       |  |  |   |  |  |  |                   |                   |               |             |
| 465 | Guest Expenses           |  |  | ① 351347                                |  |  |  | ② 202200          | 148147            |               |             |
| 470 | Continuing Education     |  |  |   |  |  |  |                   |                   |               |             |
| 475 | Professional Fees        |  |  | ① 312645<br>② 155085                    |  |  |  | ② 25009<br>③ 7844 | 424800            |               |             |
| 480 | Sub - let Labor          |  |  | ① 97500                                 |  |  |  |                   | 97500             |               |             |
| 485 | Dues & Subscriptions     |  |  | ① 11500                                 |  |  |  |                   | 11500             |               |             |
| 490 | Bank Service Charge      |  |  |   |  |  |  | ③ 10000           | 10000             |               |             |
| 495 | Interest Expense         |  |  |   |  |  |  | ③ 6786<br>④ 8802  | 14516             |               |             |
| 496 | Depreciation             |  |  |   |  |  |  | ⑤ 178000          | 178000            |               |             |
| 499 | Non-Debitable Production |  |  |   |  |  |  |                   |                   |               |             |
|     |                          |  |  | 995594                                  |  |  |  | 307134            | 287119            | 1048909       |             |

WTB - General Basis - TRA  
 6-30-99 Water Co. - PIR

5 of 5

SUMMARY

|          | 12-31-99<br>Adjusted<br>DR | 31-99<br>CR | 1/1/99 -<br>12/31/99<br>Income<br>DR | 12/31/99<br>CR |
|----------|----------------------------|-------------|--------------------------------------|----------------|
| ✓ Page 1 | 11548699                   | 5146200     | 3245024                              | 3619937        |
| ✓ 2      |                            | 6080499     | 1729973                              | 520000         |
| ✓ 3      |                            |             | 521656                               | 2448010        |
| ✓ 4      |                            |             | 925594                               |                |
|          | 11548699                   | 11548699    | 6500247                              | 6500247        |

| Adjustments<br>DR | CR      | Operations<br>DR | CR      | Balance<br>DR | Sheet<br>CR |
|-------------------|---------|------------------|---------|---------------|-------------|
| 407150            | 178000  |                  |         | 1171926       | 564400      |
| 78117             | 2704428 |                  |         | 1078125       | 8573702     |
| 2483046           | 244860  | 285512           | 2483680 |               |             |
| 360124            | 237119  | 048909           |         |               |             |
| 3331407           | 3331407 | 3904421          | 2483680 | 12777361      | 44218100    |
| Net < 0.00 >      |         | < 1420744 >      |         | < 1420744 >   |             |
|                   |         | 2483680          | 2483680 | 12777361      | 12777361    |

62152805

10/01/1999

11:08 AM

ANTIOCH WATER COMPANY

FIELDS TED R GEN PTR

Adjusted Trial Balance

for the period ended December 31, 1998

TAX BASIS WTB

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_

Page 1

| Account # / Description                  | Prior Period<br>(Adjusted)<br>12/31/1997 | Opening<br>Balance<br>Dr (Cr) | Ret #          | Activity<br>Dr (Cr)     | Ending<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|--|--|-------------------------------|----------------|-------------------------|------------------------------|------------------------|
| 100 CASH IN BANK-MCKENZIE BANK           | 7,498.74                                 | 7,498.74 A/E-1<br>C/D-1       |                | 3.00<br>(52,984.65)     | 4,309.85                     |                        |
| 105 CASH IN BANK-CB&T-ESCROW DEPOSIT A/C | 222.54                                   | 222.54 C/R-SA-<br>C/R-1       |                | 49,792.76               | 3,820.97                     |                        |
| 120 ACCOUNTS RECEIVABLE - TED FIELDS     | 1,500.00                                 | 1,500.00                      |                | 3,598.43                | 1,500.00                     |                        |
| 125 ACCOUNTS RECEIVABLE-OTHER            |  |                               | A/E-5          | 1,372.58                | 1,372.58                     |                        |
| 150 LAND                                 | 2,000.00                                 | 2,000.00 A/E-5                |                | (2,000.00)              |                              |                        |
| 152 BUILDING                             | 8,000.00                                 | 8,000.00                      |                |                         | 8,000.00                     |                        |
| 154 EQUIPMENT                            | 77,641.00                                | 77,641.00                     |                |                         | 77,641.00                    |                        |
| 155 OFFICE FURNITURE & FIXTURES          | 106.59                                   | 106.59                        |                |                         | 106.59                       |                        |
| 157 VEHICLES                             | 18,736.00                                | 18,736.00                     |                |                         | 18,736.00                    |                        |
| 159 ALLOWANCES FOR DEPRECIATION          | (55,818.00)                              | (55,818.00) A/E-8             |                | (5,844.00)              | (61,662.00)                  |                        |
| 200 ACCOUNTS PAYABLE-TRADE               |  |                               |                |                         |                              |                        |
| 205 NOTE PAYABLE-COMMERCIAL BANK-TRACTOR | (6,986.25)                               | (6,986.25) A/E-3<br>C/D-1     |                | (518.06)<br>5,092.08    | (2,412.23)                   |                        |
| 210 WATER DEPOSIT-ESCROW PAYABLE         | (2,866.64)                               | (2,866.64) A/E-7<br>C/R-SA-   |                | (1,033.36)<br>(750.00)  | (4,650.00)                   |                        |
| 215 SALES TAXES PAYABLE                  | (349.00)                                 | (349.00) A/E-6<br>A/E-4       |                | (120.00)<br>(1,774.50)  | (469.00)                     |                        |
| 280 DRAWING - RANDY ALLEN                |  |                               | C/D-1          | 16,429.61               | 14,655.11                    |                        |
| 285 DRAWING - TED FIELDS                 |  |                               | A/E-4<br>C/D-1 | (1,521.00)<br>16,429.61 | 14,908.61                    |                        |
| 290 CAPITAL - RANDY ALLEN                | (27,351.56)                              | (27,351.56)                   |                |                         | (27,351.56)                  |                        |
| 295 CAPITAL - TED FIELDS                 | (22,333.42)                              | (22,333.42)                   |                |                         | (22,333.42)                  |                        |
| 299 P&L Summary                          |  |                               |                |                         |                              |                        |
| (Profit) Loss                            | 0.00                                     | 0.00                          |                | (26,172.50)             | (26,172.50)                  |                        |
|  | 0.00                                     | 0.00                          |                | 0.00                    | 0.00                         |                        |

62152805

## ANTIOCH WATER COMPANY

FIELDS TED R GEN PTR

Adjusted Trial Balance

10/01/1999  
11:08 AM

for the period ended December 31, 1998

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_

Page 2

| Account # / Description               | Prior Period<br>(Adjusted)<br>12/31/1997 | Opening<br>Balance<br>Dr (Cr) | Ref #   | Activity<br>Dr (Cr) | Ending<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|---------------------------------------|--|-------------------------------|---------|---------------------|------------------------------|------------------------|
| 305 WATER SALES                       |  |                               | AJE-7   | 1,033.36            | (48,804.35)                  |                        |
|                                       |  |                               | C/R-1   | (49,837.71)         |                              |                        |
| 309 REFUNDS                           |  |                               | C/D-1   | 174.78              | 174.78                       |                        |
| 315 SALES TAXES                       |  |                               | AJE-2   | 4,151.00            | 4,271.00                     |                        |
|                                       |  |                               | AJE-6   | 120.00              |                              |                        |
|                                       |  |                               | AJE-5   | 627.42              | (2,000.00)                   |                        |
| 320 GAIN/LOSS ON SALE OF ASSETS       |  |                               | C/R-SA- | (2,627.42)          |                              |                        |
|                                       |  |                               | C/R-SA- | (35.15)             | (35.15)                      |                        |
| 330 INTEREST INCOME - COMMERCIAL BANK |  |                               | C/R-SA- | (185.86)            | (185.86)                     |                        |
| 331 INTEREST INCOME - OTHER           |  |                               | C/D-1   | 937.46              | 937.46                       |                        |
| 405 SUPPLIES                          |  |                               | C/D-1   | 28.98               | 28.98                        |                        |
| 410 TELEPHONE                         |  |                               | C/D-1   | 925.26              | 925.26                       |                        |
| 411 UTILITIES                         |  |                               | C/D-1   | 648.37              | 693.32                       |                        |
| 415 OFFICE SUPPLIES                   |  |                               | C/R-1   | 44.95               |                              |                        |
|                                       |  |                               | C/D-1   | 801.54              | 801.54                       |                        |
| 420 REPAIRS AND MAINTENANCE           |  |                               | C/D-1   | 636.00              | 636.00                       |                        |
| 425 INSURANCE                         |  |                               | C/D-1   | 64.11               | 64.11                        |                        |
| 430 GAS, OIL AND FUEL                 |  |                               | AJE-2   | 25.00               | 98.75                        |                        |
| 435 ADVERTISING                       |  |                               | C/D-1   | 73.75               |                              |                        |
|                                       |  |                               | AJE-4   | 3,295.50            | 3,295.50                     |                        |
| 440 TRAVEL EXPENSES                   |  |                               | C/D-1   | 8.56                | 8.56                         |                        |
| 445 MEALS AND ENTERTAINMENT           |  |                               |         |                     |                              |                        |
| 450 CHEMICALS                         |  |                               |         |                     |                              |                        |
| 455 WATER TESTS                       |  |                               | C/D-1   | 2,500.00            | 2,500.00                     |                        |
| 460 LEGAL AND ACCOUNTING              |  |                               | AJE-2   | (4,208.00)          | 1,894.75                     |                        |
| 465 TAXES AND LICENSES                |  |                               | C/D-1   | 6,102.75            |                              |                        |
| 470 CONTINUING EDUCATION              |  |                               | C/D-1   | 1,561.79            | 1,561.79                     |                        |
| 475 PROFESSIONAL FEES                 |  |                               | C/D-1   | 570.00              | 570.00                       |                        |
| 480 SUB-LET LABOR                     |  |                               |         |                     |                              |                        |
| 485 DUES AND SUBSCRIPTIONS            |  |                               | AJE-1   | (3.00)              | (3.00)                       |                        |
| 490 BANK SERVICE CHARGES              |  |                               | AJE-3   | 518.06              | 518.06                       |                        |
| 495 INTEREST EXPENSE                  |  |                               |         |                     |                              |                        |

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10/01/1999

11:08 AM

ANTIOCH WATER COMPANY

FIELDS TED R GEN PTR

Adjusted Trial Balance

for the period ended December 31, 1998

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_

Page 3

Account # / Description

Prior Period  
(Adjusted)  
12/31/1997

Opening  
Balance  
Dr (Cr)

Ref #

Activity  
Dr (Cr)

Ending  
Balance  
Dr (Cr)

Workpaper  
Reference

496 DEPRECIATION

499 NON-DEDUCTIBLE PENALTIES

999 Rounding Account

AJE-8 5,844.00 5,844.00  
AJE-2 32.00 32.00

(Profit) Loss

0.00

0.00

(26,172.50)

(26,172.50)



1111:111  
10/29/1999  
09:53 AM

ANTIOCH WATER CO  
Adjusted Trial Balance  
for the period ended December 31, 1997

TAX BASIS WTB  
#5

Prepared by \_\_\_\_\_  
Reviewed by \_\_\_\_\_  
Page 1

| Account # / Description                  | Prior Period<br>(Adjusted)<br>12/31/1996 | Opening<br>Balance<br>Dr (Cr) | Ref #   | Activity<br>Dr (Cr) | Ending<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|--|--|-------------------------------|---------|---------------------|------------------------------|------------------------|
| 100 CASH IN BANK-MCKENZIE BANK           | 2,689.98                                 | 2,689.98                      | AJE-1   | 3.00<br>(52,106.09) | 7,498.74                     |                        |
|  |  |                               | C/D-1   |                     |                              |                        |
| 105 CASH IN BANK-CB&T-ESCROW DEPOSIT A/C | 1,767.14                                 | 1,767.14                      | C/R-1   | 56,911.85           |                              |                        |
| 120 ACCOUNTS RECEIVABLE-TED FIELDS       |  |                               | C/R SA- | (1,544.60)          | 222.54                       |                        |
| 150 LAND                                 | 2,000.00                                 | 2,000.00                      | AJE-7   | 1,500.00            | 1,500.00                     |                        |
| 152 BUILDING                             | 8,000.00                                 | 8,000.00                      |         |                     | 2,000.00                     |                        |
| 154 EQUIPMENT                            | 77,641.00                                | 77,641.00                     |         |                     | 8,000.00                     |                        |
| 155 OFFICE FURNITURE & FIXTURES          | 106.59                                   | 106.59                        |         |                     | 77,641.00                    |                        |
| 157 VEHICLES                             | 17,920.00                                | 17,920.00                     | AJE-2   | 816.00              | 18,736.00                    |                        |
| 159 ALLOWANCES FOR DEPRECIATION          | (48,547.52)                              | (48,547.52)                   | AJE-10  | (7,270.48)          | (55,818.00)                  |                        |
| 200 ACCOUNTS PAYABLE-TRADE               |  |                               |         |                     |                              |                        |
| 205 NOTE PAYABLE-COMMERCIAL BANK-TRACTOR | (11,098.67)                              | (11,098.67)                   | AJE-4   | (979.66)            | (6,986.25)                   |                        |
|  |  |                               | C/D-1   | 5,092.08            |                              |                        |
| 210 WATER DEPOSIT-ESCROW PAYABLE         | (1,708.42)                               | (1,708.42)                    | AJE-8   | 376.12              | (2,866.64)                   |                        |
|  |  |                               | C/R SA- | (1,534.34)          |                              |                        |
| 215 SALES TAXES PAYABLE                  | (416.00)                                 | (416.00)                      | AJE-3   | 67.00               | (349.00)                     |                        |
| 230 MORTGAGE PAYABLE-RC ALLEN            | (10,034.58)                              | (10,034.58)                   | AJE-5   | (250.14)            |                              |                        |
|  |  |                               | AJE-6   | 8,124.89            |                              |                        |
| 240 TRANSFER OF FUNDS                    |  |                               | C/D-1   | 2,159.83            |                              |                        |
|  |  |                               | AJE-7   | (1,500.00)          |                              |                        |
| 280 DRAWING - RANDY ALLEN                |  |                               | C/R-1   | (1,634.97)          |                              |                        |
|  |  |                               | C/R SA- | 3,134.97            |                              |                        |
|  |  |                               | AJE-6   | (4,200.00)          | 8,379.95                     |                        |
|  |  |                               | AJE-9   | (1,719.90)          |                              |                        |
| 285 DRAWING - TED FIELDS                 |  |                               | C/D-1   | 14,299.85           |                              |                        |
|  |  |                               | AJE-6   | (4,200.00)          | 7,625.65                     |                        |
|  |  |                               | AJE-9   | (1,474.20)          |                              |                        |
|  |  |                               | C/D-1   | 13,299.85           |                              |                        |
| 290 CAPITAL - RANDY ALLEN                | (22,045.98)                              | (22,045.98)                   |         |                     | (22,045.98)                  |                        |
| 295 CAPITAL - TED FIELDS                 | (16,273.54)                              | (16,273.54)                   |         |                     | (16,273.54)                  |                        |
| 299 P&L Summary                          |  |                               |         |                     |                              |                        |
| (Profit) Loss                            | 0.00                                     | 0.00                          |         | (27,371.06)         | (27,371.06)                  |                        |
|  | 0.00                                     | 0.00                          |         | 0.00                | 0.00                         |                        |

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## ANTIOCH WATER CO

Prepared by \_\_\_\_\_

10/29/1999

Adjusted Trial Balance

Reviewed by \_\_\_\_\_

09:53 AM

for the period ended December 31, 1997

Page 2

| Account # / Description     | Prior Period<br>(Adjusted)<br>12/31/1996 | Opening<br>Balance<br>Dr (Cr) | Ref #   | Activity<br>Dr (Cr) | Ending<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|-----------------------------|--|-------------------------------|---------|---------------------|------------------------------|------------------------|
| 305 WATER SALES             |  |                               | AJE-8   | (376.12)            | (55,659.00)                  |                        |
|                             |  |                               | C/R-1   | (55,282.88)         |                              |                        |
| 309 REFUNDS                 |  |                               | C/D-1   | 348.72              | 348.72                       |                        |
| 315 SALES TAXES             |  |                               | AJE-2   | 4,269.00            | 4,202.00                     |                        |
|                             |  |                               | AJE-3   | (67.00)             |                              |                        |
|                             |  |                               | C/R SA- | (56.03)             | (56.03)                      |                        |
| 331 INTEREST INCOME-OTHER   |  |                               | C/D-1   | 1,421.13            | 1,421.13                     |                        |
| 405 SUPPLIES                |  |                               | C/D-1   | 27.58               | 27.58                        |                        |
| 410 TELEPHONE               |  |                               | C/D-1   | 1,133.97            | 1,133.97                     |                        |
| 411 UTILITIES               |  |                               | C/D-1   | 824.84              | 824.84                       |                        |
| 415 OFFICE SUPPLIES         |  |                               | C/D-1   | 3,695.02            | 3,695.02                     |                        |
| 420 REPAIRS AND MAINTENANCE |  |                               | C/D-1   | 611.00              | 611.00                       |                        |
| 425 INSURANCE               |  |                               | C/D-1   | 305.39              | 305.39                       |                        |
| 430 GAS, OIL AND FUEL       |  |                               | C/D-1   | 152.49              | 152.49                       |                        |
| 435 ADVERTISING             |  |                               | AJE-9   | 3,194.10            | 3,273.26                     |                        |
| 440 TRAVEL EXPENSES         |  |                               | C/D-1   | 79.16               |                              |                        |
|                             |  |                               | C/D-1   | 96.02               | 96.02                        |                        |
| 445 MEALS AND ENTERTAINMENT |  |                               | AJE-2   | (5,085.00)          | 76.75                        |                        |
| 465 TAXES AND LICENSES      |  |                               | C/D-1   | 5,161.75            |                              |                        |
| 475 PROFESSIONAL FEES       |  |                               | C/D-1   | 2,314.41            | 2,314.41                     |                        |
| 480 SUB-LET LABOR           |  |                               | C/D-1   | 1,083.00            | 1,083.00                     |                        |
| 490 BANK SERVICE CHARGES    |  |                               | AJE-1   | (3.00)              | 3.00                         |                        |
|                             |  |                               | C/R-1   | 6.00                |                              |                        |
| 495 INTEREST EXPENSE        |  |                               | AJE-4   | 979.66              | 1,504.91                     |                        |
|                             |  |                               | AJE-5   | 250.14              |                              |                        |
|                             |  |                               | AJE-6   | 275.11              |                              |                        |
| 496 DEPRECIATION            |  |                               | AJE-10  | 7,270.48            | 7,270.48                     |                        |
| 999 Rounding Account        |  |                               |         |                     |                              |                        |
| (Profit) Loss               | 0.00                                     | 0.00                          |         | (27,371.06)         | (27,371.06)                  |                        |

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ANTIOCH WATER CO

Accrual Basis WTB

Prepared by \_\_\_\_\_

10/06/1999  
10:51 AMOther Trial Balance  
for the period ended December 31, 1997Reviewed by \_\_\_\_\_  
Page 1

| Account # / Description                  | Prior Period<br>(Other)<br>12/31/1996 | Adjusted<br>Balance<br>Dr (Cr) | Ref # | Adjustments<br>Dr (Cr) | Other Tax<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|--|---------------------------------------|--------------------------------|-------|------------------------|---------------------------------|------------------------|
| 100 CASH IN BANK-MCKENZIE BANK           | 2,689.98                              | 7,498.74                       |       |                        | 7,498.74                        |                        |
| 105 CASH IN BANK-CB&T-ESCROW DEPOSIT A/C | 1,767.14                              | 222.54                         |       |                        | 222.54                          |                        |
| 120 ACCOUNTS RECEIVABLE-TED FIELDS       |                                       | 1,500.00                       |       |                        | 1,500.00                        |                        |
| 150 LAND                                 | 2,000.00                              | 2,000.00                       |       |                        | 2,000.00                        |                        |
| 152 BUILDING                             | 8,000.00                              | 8,000.00                       |       |                        | 8,000.00                        |                        |
| 154 EQUIPMENT                            | 77,641.00                             | 77,641.00                      |       |                        | 77,641.00                       |                        |
| 155 OFFICE FURNITURE & FIXTURES          | 106.59                                | 106.59                         |       |                        | 106.59                          |                        |
| 157 VEHICLES                             | 17,920.00                             | 18,736.00                      |       |                        | 18,736.00                       |                        |
| 159 ALLOWANCES FOR DEPRECIATION          | (48,547.52)                           | (55,818.00)                    | OJE-1 | 10,500.00              | (45,318.00)                     |                        |
| 200 ACCOUNTS PAYABLE-TRADE               |                                       |                                | OJE-2 | (43.74)                | (43.74)                         |                        |
| 205 NOTE PAYABLE-COMMERCIAL BANK-TRACTOR | (11,098.67)                           | (6,986.25)                     |       |                        | (6,986.25)                      |                        |
| 210 WATER DEPOSIT-ESCROW PAYABLE         | (1,708.42)                            | (2,866.64)                     |       |                        | (2,866.64)                      |                        |
| 215 SALES TAXES PAYABLE                  | (416.00)                              | (349.00)                       |       |                        | (349.00)                        |                        |
| 230 MORTGAGE PAYABLE-RC ALLEN            | (10,034.58)                           |                                |       |                        |                                 |                        |
| 240 TRANSFER OF FUNDS                    |                                       |                                |       |                        |                                 |                        |
| 280 DRAWING - RANDY ALLEN                |                                       | 8,379.95                       |       |                        | 8,379.95                        |                        |
| 285 DRAWING - TED FIELDS                 |                                       | 7,625.65                       |       |                        | 7,625.65                        |                        |
| 290 CAPITAL - RANDY ALLEN                | (22,045.98)                           | (22,045.98)                    | OJE-1 | (7,000.00)             | (28,920.14)                     |                        |
|  |                                       |                                | OJE-2 | 125.84                 |                                 |                        |
| 295 CAPITAL - TED FIELDS                 | (16,273.54)                           | (16,273.54)                    | OJE-1 | (7,000.00)             | (23,147.71)                     |                        |
|  |                                       |                                | OJE-2 | 125.83                 |                                 |                        |
| 299 P&L Summary                          |                                       |                                |       |                        |                                 |                        |
| (Profit) Loss                            | 0.00                                  | (27,371.06)                    |       | 3,292.07               | (24,078.99)                     |                        |
|  | 0.00                                  | 0.00                           |       | 0.00                   | 0.00                            |                        |

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10/06/1999  
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ANTIOCH WATER CO  
Other Trial Balance  
for the period ended December 31, 1997

Prepared by \_\_\_\_\_  
Reviewed by \_\_\_\_\_  
Page 2

| Account # / Description     | Prior Period<br>(Other)<br>12/31/1996 | Adjusted<br>Balance<br>Dr (Cr) | Ref # | Adjustments<br>Dr (Cr) | Other Tax<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|-----------------------------|---------------------------------------|--------------------------------|-------|------------------------|---------------------------------|------------------------|
| 305 WATER SALES             |                                       | (55,659.00)                    |       |                        | (55,659.00)                     |                        |
| 309 REFUNDS                 | 348.72                                |                                |       |                        | 348.72                          |                        |
| 315 SALES TAXES             | 4,202.00                              |                                |       |                        | 4,202.00                        |                        |
| 331 INTEREST INCOME-OTHER   | (56.03)                               |                                |       |                        | (56.03)                         |                        |
| 405 SUPPLIES                | 1,421.13 OJE-2                        |                                |       | (207.93)               | 1,213.20                        |                        |
| 410 TELEPHONE               | 27.58                                 |                                |       |                        | 27.58                           |                        |
| 411 UTILITIES               | 1,133.97                              |                                |       |                        | 1,133.97                        |                        |
| 415 OFFICE SUPPLIES         | 824.84                                |                                |       |                        | 824.84                          |                        |
| 420 REPAIRS AND MAINTENANCE | 3,695.02                              |                                |       |                        | 3,695.02                        |                        |
| 425 INSURANCE               | 611.00                                |                                |       |                        | 611.00                          |                        |
| 430 GAS, OIL AND FUEL       | 305.39                                |                                |       |                        | 305.39                          |                        |
| 435 ADVERTISING             | 152.49                                |                                |       |                        | 152.49                          |                        |
| 440 TRAVEL EXPENSES         | 3,273.26                              |                                |       |                        | 3,273.26                        |                        |
| 445 MEALS AND ENTERTAINMENT | 96.02                                 |                                |       |                        | 96.02                           |                        |
| 465 TAXES AND LICENSES      | 76.75                                 |                                |       |                        | 76.75                           |                        |
| 475 PROFESSIONAL FEES       | 2,314.41                              |                                |       |                        | 2,314.41                        |                        |
| 480 SUB-LET LABOR           | 1,083.00                              |                                |       |                        | 1,083.00                        |                        |
| 490 BANK SERVICE CHARGES    | 3.00                                  |                                |       |                        | 3.00                            |                        |
| 495 INTEREST EXPENSE        | 1,504.91                              |                                |       |                        | 1,504.91                        |                        |
| 496 DEPRECIATION            | 7,270.48 OJE-1                        |                                |       | 3,500.00               | 10,770.48                       |                        |
| 999 Rounding Account        |                                       |                                |       |                        |                                 |                        |
| (Profit) Loss               | 0.00                                  | (27,371.06)                    |       | 3,292.07               | (24,078.99)                     |                        |

62152805

10/01/1999

02:16 PM

ANTIOCH WATER COMPANY  
FIELDS TED R GEN PTR  
Other Trial Balance

*Accrual Basis WTR*

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_

Page 1

for the period ended December 31, 1998

| Account # / Description                  | Prior Period<br>(Other)<br>12/31/1997 | Adjusted<br>Balance<br>Dr (Cr) | Ref # | Adjustments<br>Dr (Cr) | Other Tax<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|--|---------------------------------------|--------------------------------|-------|------------------------|---------------------------------|------------------------|
| 100 CASH IN BANK-MCKENZIE BANK           | 7,498.74                              | 4,309.85                       |       |                        | 4,309.85                        |                        |
| 105 CASH IN BANK-CB&T-ESCROW DEPOSIT A/C | 222.54                                | 3,820.97                       |       |                        | 3,820.97                        |                        |
| 120 ACCOUNTS RECEIVABLE - TED FIELDS     | 1,500.00                              | 1,500.00                       |       |                        | 1,500.00                        |                        |
| 125 ACCOUNTS RECEIVABLE-OTHER            |                                       | 1,372.58                       |       |                        | 1,372.58                        |                        |
| 150 LAND                                 | 2,000.00                              |                                |       |                        |                                 |                        |
| 152 BUILDING                             | 8,000.00                              | 8,000.00                       |       |                        | 8,000.00                        |                        |
| 154 EQUIPMENT                            | 77,641.00                             | 77,641.00                      |       |                        | 77,641.00                       |                        |
| 155 OFFICE FURNITURE & FIXTURES          | 106.59                                | 106.59                         |       |                        | 106.59                          |                        |
| 157 VEHICLES                             | 18,736.00                             | 18,736.00                      |       |                        | 18,736.00                       |                        |
| 159 ALLOWANCES FOR DEPRECIATION          | (55,818.00)                           | (61,662.00) OJE-1              |       | 7,000.00               | (54,662.00)                     |                        |
| 200 ACCOUNTS PAYABLE-TRADE               |                                       |                                | OJE-2 | (153.59)               | (153.59)                        |                        |
| 205 NOTE PAYABLE-COMMERCIAL BANK-TRACTOR | (6,986.25)                            | (2,412.23)                     |       |                        | (2,412.23)                      |                        |
| 210 WATER DEPOSIT-ESCROW PAYABLE         | (2,866.64)                            | (4,650.00)                     |       |                        | (4,650.00)                      |                        |
| 215 SALES TAXES PAYABLE                  | (349.00)                              | (469.00)                       |       |                        | (469.00)                        |                        |
| 280 DRAWING - RANDY ALLEN                |                                       | 14,655.11                      |       |                        | 14,655.11                       |                        |
| 285 DRAWING - TED FIELDS                 |                                       | 14,908.61                      |       |                        | 14,908.61                       |                        |
| 290 CAPITAL - RANDY ALLEN                | (27,351.56)                           | (27,351.56) OJE-1              |       | (5,250.00)             | (32,601.56)                     |                        |
| 295 CAPITAL - TED FIELDS                 | (22,333.42)                           | (22,333.42) OJE-1              |       | (5,250.00)             | (27,583.42)                     |                        |
| 299 P&L Summary                          |                                       |                                |       |                        |                                 |                        |
| (Profit) Loss                            | 0.00                                  | (26,172.50)                    |       | 3,653.59               | (22,518.91)                     |                        |
|  | 0.00                                  | 0.00                           |       | 0.00                   | 0.00                            |                        |

62152805

## ANTIOCH WATER COMPANY

FIELDS TED R GEN PTR

10/01/1999

Other Trial Balance

02:16 PM

for the period ended December 31, 1998

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_

Page 2

| Account # / Description               | Prior Period<br>(Other)<br>12/31/1997 | Adjusted<br>Balance<br>Dr (Cr) | Ref # | Adjustments<br>Dr (Cr) | Other Tax<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|---------------------------------------|---------------------------------------|--------------------------------|-------|------------------------|---------------------------------|------------------------|
| 305 WATER SALES                       |                                       | (48,804.35)                    |       |                        | (48,804.35)                     |                        |
| 309 REFUNDS                           |                                       | 174.78                         |       |                        | 174.78                          |                        |
| 315 SALES TAXES                       |                                       | 4,271.00                       |       |                        | 4,271.00                        |                        |
| 320 GAIN/LOSS ON SALE OF ASSETS       |                                       | (2,000.00)                     |       |                        | (2,000.00)                      |                        |
| 330 INTEREST INCOME - COMMERCIAL BANK |                                       | (35.15)                        |       |                        | (35.15)                         |                        |
| 331 INTEREST INCOME - OTHER           |                                       | (185.86)                       |       |                        | (185.86)                        |                        |
| 405 SUPPLIES                          |                                       | 937.46                         |       |                        | 937.46                          |                        |
| 410 TELEPHONE                         |                                       | 28.98                          |       |                        | 28.98                           |                        |
| 411 UTILITIES                         |                                       | 925.26 OJE-2                   |       | 142.86                 | 1,068.12                        |                        |
| 415 OFFICE SUPPLIES                   |                                       | 693.32                         |       |                        | 693.32                          |                        |
| 420 REPAIRS AND MAINTENANCE           |                                       | 801.54                         |       |                        | 801.54                          |                        |
| 425 INSURANCE                         |                                       | 636.00                         |       |                        | 636.00                          |                        |
| 430 GAS, OIL AND FUEL                 |                                       | 64.11                          |       |                        | 64.11                           |                        |
| 435 ADVERTISING                       |                                       | 98.75                          |       |                        | 98.75                           |                        |
| 440 TRAVEL EXPENSES                   |                                       | 3,295.50                       |       |                        | 3,295.50                        |                        |
| 445 MEALS AND ENTERTAINMENT           |                                       | 8.56                           |       |                        | 8.56                            |                        |
| 450 CHEMICALS                         |                                       |                                |       |                        |                                 |                        |
| 455 WATER TESTS                       |                                       |                                |       |                        |                                 |                        |
| 460 LEGAL AND ACCOUNTING              |                                       | 2,500.00                       |       |                        | 2,500.00                        |                        |
| 465 TAXES AND LICENSES                |                                       | 1,894.75                       |       |                        | 1,894.75                        |                        |
| 470 CONTINUING EDUCATION              |                                       |                                |       |                        |                                 |                        |
| 475 PROFESSIONAL FEES                 |                                       | 1,561.79                       |       |                        | 1,561.79                        |                        |
| 480 SUB-LET LABOR                     |                                       | 570.00                         |       |                        | 570.00                          |                        |
| 485 DUES AND SUBSCRIPTIONS            |                                       |                                |       |                        |                                 |                        |
| 490 BANK SERVICE CHARGES              |                                       | (3.00)                         |       |                        | (3.00)                          |                        |
| 495 INTEREST EXPENSE                  |                                       | 518.06 OJE-2                   |       | 10.73                  | 528.79                          |                        |
| 496 DEPRECIATION                      |                                       | 5,844.00 OJE-1                 |       | 3,500.00               | 9,344.00                        |                        |
| 499 NON-DEDUCTIBLE PENALTIES          |                                       | 32.00                          |       |                        | 32.00                           |                        |
| 999 Rounding Account                  |                                       |                                |       |                        |                                 |                        |

62152805

10/01/1999

02:16 PM

ANTIOCH WATER COMPANY

FIELDS TED R GEN PTR

Other Trial Balance

for the period ended December 31, 1998

Prepared by \_\_\_\_\_

Reviewed by \_\_\_\_\_

Page 3

Account # / Description

| Prior Period<br>(Other)<br>12/31/1997 | Adjusted<br>Balance<br>Dr (Cr) | Ref # | Adjustments<br>Dr (Cr) | Other Tax<br>Balance<br>Dr (Cr) | Workpaper<br>Reference |
|---------------------------------------|--------------------------------|-------|------------------------|---------------------------------|------------------------|
|---------------------------------------|--------------------------------|-------|------------------------|---------------------------------|------------------------|

(Profit) Loss

0.00

(26,172.50)

3,653.59

(22,518.91)

Form **1065**Department of the Treasury  
Internal Revenue Service**U.S. Partnership Return of Income**

For calendar year 1996, or tax year beginning \_\_\_\_\_, 1996, and ending \_\_\_\_\_, 19\_\_

▶ See separate instructions.

OMB No. 1545-0099

**1996****A** Principal business activity

UTILITY

Name of partnership

ANTIOCH WATER COMPANY

**B** Principal product or service

WATER CO.

Number, street, and room or suite no. If a P.O. box, see page 10 of the instructions.

FIELDS TED R GEN PTR

PO BOX 1614

**C** Business code number

4400

City or town, state, and ZIP code

PARIS, TN 38242-1614

**D** Employer identification number

62-1528056

**E** Date business started

3-31-93

**F** Total assets  
(see page 10 of the instructions)

LESS THAN \$600,000

**G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2**Caution:** Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

|  |  |            |        |                  |
|--|--|------------|--------|------------------|
| <b>Income</b>  | <b>1a</b> Gross receipts or sales  | <b>1a</b>  | 49,499 |                  |
|  | <b>b</b> Less returns and allowances   | <b>1b</b>  |        | <b>1c</b> 49,499 |
|  | <b>2</b> Cost of goods sold (Schedule A, line 8)   | <b>2</b>   |        |                  |
|  | <b>3</b> Gross profit. Subtract line 2 from line 1c  | <b>3</b>   |        | 49,499           |
|  | <b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) | <b>4</b>   |        |                  |
|  | <b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))                                | <b>5</b>   |        |                  |
| <b>6</b> Net gain (loss) from Form 4797, Part II, line 20  | <b>6</b>   |            |        |                  |
| <b>7</b> Other income (loss) (attach schedule)   | <b>7</b>   |            |        |                  |
| <b>8</b> Total income (loss). Combine lines 3 through 7  | <b>8</b>   |            | 49,499 |                  |
| <b>Deductions</b> (see page 11 of the instructions for limitations)                              | <b>9</b> Salaries and wages (other than to partners) (less employment credits)                 | <b>9</b>   |        |                  |
|  | <b>10</b> Guaranteed payments to partners  | <b>10</b>  |        |                  |
|  | <b>11</b> Repairs and maintenance  | <b>11</b>  |        | 729              |
|  | <b>12</b> Bad debts  | <b>12</b>  |        |                  |
|  | <b>13</b> Rent   | <b>13</b>  |        |                  |
|  | <b>14</b> Taxes and licenses   | <b>14</b>  |        | 342              |
|  | <b>15</b> Interest   | <b>15</b>  |        | 2,862            |
|  | <b>16a</b> Depreciation (if required, attach Form 4562)  | <b>16a</b> | 6,415  |                  |
|  | <b>b</b> Less depreciation reported on Schedule A and elsewhere on return                      | <b>16b</b> |        | <b>16c</b> 6,415 |
|  | <b>17</b> Depletion (Do not deduct oil and gas depletion.)                                     | <b>17</b>  |        |                  |
|  | <b>18</b> Retirement plans, etc.   | <b>18</b>  |        |                  |
|  | <b>19</b> Employee benefit programs  | <b>19</b>  |        |                  |
|  | <b>20</b> Other deductions (attach schedule)   | <b>20</b>  |        | 10,815           |
| <b>21</b> Total deductions. Add the amounts shown in the far right column for lines 9 through 20 | <b>21</b>  |            | 21,163 |                  |
| <b>22</b> Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8 | <b>22</b>  |            | 28,336 |                  |

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I am a partner or limited liability company member (or preparer if the preparer is not a partner or limited liability company member) and the information is based on all information of which the preparer has any knowledge.

Signature of general partner or limited liability company member

Date

**Paid Preparer's Use Only**

Preparer's signature

Date

Check if self-employed ☒

Preparer's social security no.

420-78-6837

Firm's name (or yours if self-employed) and address

JERRY C BAILEY, CPA

PO BOX 1410

PARIS, TN

EIN ▶ 62-1285057

ZIP code ▶ 38242-1410

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **1065** (1996)



**Schedule A Cost of Goods Sold** (see page 13 of the instructions)

|   |  |   |     |
|---|--|---|-----|
| 1 | Inventory at beginning of year   | 1 |     |
| 2 | Purchases less cost of items withdrawn for personal use                                  | 2 |     |
| 3 | Cost of labor  | 3 |     |
| 4 | Additional section 263A costs (attach schedule)  | 4 | N/A |
| 5 | Other costs (attach schedule)  | 5 |     |
| 6 | <b>Total.</b> Add lines 1 through 5  | 6 |     |
| 7 | Inventory at end of year   | 7 |     |
| 8 | <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 |     |

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) . . . . . ☐ Yes ☒ No

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . . ☐ Yes ☒ No

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . . . . ☐ Yes ☒ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? . . . . . ☐ Yes ☒ No

If "Yes," attach explanation.

**Schedule B Other Information**

|  | Yes | No |
|--|-----|----|
| 1 What type of entity is filing this return? Check the applicable box:<br>a <input checked="" type="checkbox"/> General partnership b <input type="checkbox"/> Limited partnership c <input type="checkbox"/> Limited liability company<br>d <input type="checkbox"/> Other (see page 14 of the instructions) ▶  |     |    |
| 2 Are any partners in this partnership also partnerships?  |     | X  |
| 3 Is this partnership a partner in another partnership?  |     | X  |
| 4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below   |     | X  |
| 5 Does this partnership meet ALL THREE of the following requirements?<br>a The partnership's total receipts for the tax year were less than \$250,000;<br>b The partnership's total assets at the end of the tax year were less than \$600,000; AND<br>c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.<br>If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1 . . . . . | X   |    |
| 6 Does this partnership have any foreign partners?   |     | X  |
| 7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?   |     | X  |
| 8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?   |     | X  |
| 9 At any time during calendar year 1996, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶  |     | X  |
| 10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 14 of the instructions for other forms the partnership may have to file . . . . .   |     | X  |
| 11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 5 of the instructions . . . . .   |     | X  |

**Designation of Tax Matters Partner** (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

|                             |                 |                             |             |
|-----------------------------|-----------------|-----------------------------|-------------|
| Name of designated TMP ▶    | TED R FIELDS    | Identifying number of TMP ▶ | 414-80-8067 |
| Address of designated TMP ▶ | 325 HUTSON LANE |                             |             |
|                             | PARIS, TN 38242 |                             |             |

**Schedule K Partners' Shares of Income, Credits, Deductions, etc.**

| (a) Distributive share items         |       |  |  | (b) Total amount |                         |                   |
|--------------------------------------|-------|--|--|------------------|-------------------------|-------------------|
| Income (Loss)                        | 1     | Ordinary income (loss) from trade or business activities (page 1, line 22)   |  | 1                | 28,336                  |                   |
|                                      | 2     | Net income (loss) from rental real estate activities (attach Form 8825)  |  | 2                |                         |                   |
|                                      | 3a    | Gross income from other rental activities  | 3a   |                  |                         |                   |
|                                      | b     | Expenses from other rental activities (attach schedule)  | 3b   |                  |                         |                   |
|                                      | c     | Net income (loss) from other rental activities. Subtract line 3b from line 3a  |  | 3c               |                         |                   |
|                                      | 4     | Portfolio income (loss): a Interest income   |  | 4a               | 36                      |                   |
|                                      | b     | Dividend income  | 4b   |                  |                         |                   |
|                                      | c     | Royalty income   | 4c   |                  |                         |                   |
|                                      | d     | Net short-term capital gain (loss) (attach Schedule D (Form 1065))   | 4d   |                  |                         |                   |
|                                      | e     | Net long-term capital gain (loss) (attach Schedule D (Form 1065))  | 4e   |                  |                         |                   |
|                                      | f     | Other portfolio income (loss) (attach schedule)  | 4f   |                  |                         |                   |
| Deductions                           | 5     | Guaranteed payments to partners  |  | 5                |                         |                   |
|                                      | 6     | Net gain (loss) under section 1231 (other than due to casualty or theft) (attach Form 4797)                                    |  | 6                |                         |                   |
|                                      | 7     | Other income (loss) (attach schedule)  |  | 7                |                         |                   |
|                                      | 8     | Charitable contributions (attach schedule)   |  | 8                |                         |                   |
| Investment Interest                  | 9     | Section 179 expense deduction (attach Form 4562)   |  | 9                | 17,500                  |                   |
|                                      | 10    | Deductions related to portfolio income (itemize)   |  | 10               |                         |                   |
|                                      | 11    | Other deductions (attach schedule)   |  | 11               |                         |                   |
| Credits                              | 12a   | Interest expense on investment debts   |  | 12a              |                         |                   |
|                                      | b (1) | Investment income included on lines 4a, 4b, 4c, and 4f above   |  | 12b(1)           | 36                      |                   |
|                                      | (2)   | Investment expenses included on line 10 above  |  | 12b(2)           |                         |                   |
|                                      | 13a   | Low-income housing credit:   |  |                  |                         |                   |
|                                      | (1)   | From partnerships to which section 42(j)(5) applies for property placed in service before 1990                                 |  | 13a(1)           |                         |                   |
|                                      | (2)   | Other than on line 13a(1) for property placed in service before 1990   |  | 13a(2)           |                         |                   |
|                                      | (3)   | From partnerships to which section 42(j)(5) applies for property placed in service after 1989                                  |  | 13a(3)           |                         |                   |
|                                      | (4)   | Other than on line 13a(3) for property placed in service after 1989  |  | 13a(4)           |                         |                   |
|                                      | b     | Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)                              |  | 13b              |                         |                   |
|                                      | c     | Credits (other than credits shown on lines 3a and 13b) related to rental real estate activities                                |  | 13c              |                         |                   |
| Self-Employment                      | d     | Credits related to other rental activities   |  | 13d              |                         |                   |
|                                      | 14    | Other credits  |  | 14               |                         |                   |
|                                      | 15a   | Net earnings (loss) from self-employment   |  | 15a              | 28,336                  |                   |
| Adjustments and Tax Preference Items | b     | Gross farming or fishing income  |  | 15b              |                         |                   |
|                                      | c     | Gross nonfarm income   |  | 15c              | 49,499                  |                   |
|                                      | 16a   | Depreciation adjustment on property placed in service after 1986   |  | 16a              |                         |                   |
|                                      | b     | Adjusted gain or loss  |  | 16b              |                         |                   |
|                                      | c     | Depletion (other than oil and gas)   |  | 16c              |                         |                   |
|                                      | d (1) | Gross income from oil, gas and geothermal properties   |  | 16d(1)           |                         |                   |
| Foreign Taxes                        | (2)   | Deductions allocable to oil, gas and geothermal properties   |  | 16d(2)           |                         |                   |
|                                      | e     | Other adjustments and tax preference items (attach schedule)   |  | 16e              |                         |                   |
|                                      | 17a   | Type of income ▶   |  |                  |                         |                   |
|                                      | b     | Foreign country or U.S. possession ▶   |  |                  |                         |                   |
|                                      | c     | Total gross income from sources outside the United States (attach schedule)  |  | 17c              |                         |                   |
|                                      | d     | Total applicable deductions and losses (attach schedule)   |  | 17d              |                         |                   |
|                                      | e     | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued                                |  | 17e              |                         |                   |
|                                      | f     | Reduction in taxes available for credit (attach schedule)  |  | 17f              |                         |                   |
| Other                                | g     | Other foreign tax information (attach schedule)  |  | 17g              |                         |                   |
|                                      | 18    | Section 59(e)(2) expenditures: a Type ▶ b Amount ▶   |  | 18b              |                         |                   |
|                                      | 19    | Tax-exempt interest income   |  | 19               |                         |                   |
|                                      | 20    | Other tax-exempt income  |  | 20               |                         |                   |
|                                      | 21    | Nondeductible expenses   |  | 21               |                         |                   |
|                                      | 22    | Distributions of money (cash and marketable securities)  |  | 22               |                         |                   |
|                                      | 23    | Distributions of property other than money   |  | 23               |                         |                   |
|                                      | 24    | Other items and amounts required to be reported separately to partners (attach schedule)                                       |  |                  |                         |                   |
| Analysis                             | 25a   | Income (loss). Combine lines 1 through 7 in column (b). From the result, subtract the sum of lines 8 through 12a, 17e, and 18b |  | 25a              | 10,872                  |                   |
|                                      | b     | Analysis by type of partner:   |  |                  |                         |                   |
|                                      | (1)   | (a) Corporate  | (b) Individual<br>i. Active<br>ii. Passive | (c) Partnership  | (d) Exempt organization | (e) Nominee/Other |
|                                      | (2)   |  | 10,872                                     |                  |                         |                   |

Note: If Question 5 of Schedule B is answered "Yes," the partnership is not required to complete Schedules L, M-1, and M-2.

## Schedule L Balance Sheets per Books

| Assets   | Beginning of tax year |     | End of tax year |     |
|--|-----------------------|-----|-----------------|-----|
|  | (a)                   | (b) | (c)             | (d) |
| 1 Cash   |                       |     |                 |     |
| 2a Trade notes and accounts receivable                 |                       |     |                 |     |
| b Less allowance for bad debts                         |                       |     |                 |     |
| 3 Inventories  |                       |     |                 |     |
| 4 U.S. government obligations                          |                       |     |                 |     |
| 5 Tax-exempt securities                                |                       |     |                 |     |
| 6 Other current assets (attach schedule)               |                       |     |                 |     |
| 7 Mortgage and real estate loans                       |                       |     |                 |     |
| 8 Other investments (attach schedule)                  |                       |     |                 |     |
| 9a Buildings and other depreciable assets              |                       |     |                 |     |
| b Less accumulated depreciation                        |                       |     |                 |     |
| 10a Depletable assets                                  |                       |     |                 |     |
| b Less accumulated depletion                           |                       |     |                 |     |
| 11 Land (net of any amortization)                      |                       |     |                 |     |
| 12a Intangible assets (amortizable only)               |                       |     |                 |     |
| b Less accumulated amortization                        |                       |     |                 |     |
| 13 Other assets (attach schedule)                      |                       |     |                 |     |
| 14 Total assets  |                       |     |                 |     |
| <b>Liabilities and Capital</b>                         |                       |     |                 |     |
| 15 Accounts payable                                    |                       |     |                 |     |
| 16 Mortgages, notes, bonds payable in less than 1 year |                       |     |                 |     |
| 17 Other current liabilities (attach schedule)         |                       |     |                 |     |
| 18 All nonrecourse loans                               |                       |     |                 |     |
| 19 Mortgages, notes, bonds payable in 1 year or more   |                       |     |                 |     |
| 20 Other liabilities (attach schedule)                 |                       |     |                 |     |
| 21 Partners' capital accounts                          |                       |     |                 |     |
| 22 Total liabilities and capital                       |                       |     |                 |     |

## Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

(see page 23 of the instructions)

|   |  |  |  |
|---|--|--|--|
| 1 Net income (loss) per books   |  | 6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):                                |  |
| 2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):        |  | a Tax-exempt interest \$   |  |
| 3 Guaranteed payments (other than health insurance)   |  |  |  |
| 4 Expenses recorded on books this year not included on Schedule K, lines 1 through 12a, 17e, and 18b (itemize): |  | 7 Deductions included on Schedule K, lines 1 through 12a, 17e, and 18b, not charged against book income this year (itemize): |  |
| a Depreciation \$   |  | a Depreciation \$  |  |
| b Travel and entertainment \$   |  |  |  |
|   |  | 8 Add lines 6 and 7  |  |
| 5 Add lines 1 through 4   |  | 9 Income (loss) (Schedule K, line 25a). Subtract line 8 from line 5  |  |

## Schedule M-2 Analysis of Partners' Capital Accounts

|                                   |  |   |  |
|-----------------------------------|--|---|--|
| 1 Balance at beginning of year    |  | 6 Distributions: a Cash                               |  |
| 2 Capital contributed during year |  | b Property  |  |
| 3 Net income (loss) per books     |  | 7 Other decreases (itemize):                          |  |
| 4 Other increases (itemize):      |  |   |  |
|                                   |  | 8 Add lines 6 and 7                                   |  |
| 5 Add lines 1 through 4           |  | 9 Balance at end of year. Subtract line 8 from line 5 |  |

Form **4562****Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**1996**Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Attachment  
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

ANTIOCH WATER COMPANY

1065 - WATER CO

62-1528056

**Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)**

|   |   |   |           |
|---|---|---|-----------|
| 1 | Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions   | 1 | \$17,500  |
| 2 | Total cost of section 179 property placed in service. See page 2 of the instructions  | 2 | 17,607    |
| 3 | Threshold cost of section 179 property before reduction in limitation   | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-  | 4 | 0         |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions | 5 | 17,500    |

| (a) Description of property   | (b) Cost (business use only) | (c) Elected cost |
|---|------------------------------|------------------|
| 6 TRACTOR   | 17,500                       | 17,500           |
| 7 Listed property. Enter amount from line 27  | 7                            | 0                |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7                                | 8                            | 17,500           |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8  | 9                            | 17,500           |
| 10 Carryover of disallowed deduction from 1995. See page 2 of the instructions  | 10                           | 0                |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11                           | 17,500           |
| 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11                              | 12                           | 17,500           |
| 13 Carryover of disallowed deduction to 1997. Add lines 9 and 10, less line 12  | 13                           | 0                |

**Note:** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1996 Tax Year (Do Not Include Listed Property.)****Section A - General Asset Account Election**

- 14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 2 of the instructions ☐

**Section B - General Depreciation System (GDS) (See page 3 of the instructions.)**

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 15a 3-year property            |                                      |  |                     |                |            |                            |
| b 5-year property              |                                      |  |                     |                |            |                            |
| c 7-year property              |                                      | 107  | 7 YRS               | HY             | 200 DB     | 15                         |
| d 10-year property             |                                      |  |                     |                |            |                            |
| e 15-year property             |                                      |  |                     |                |            |                            |
| f 20-year property             |                                      |  |                     |                |            |                            |
| g 25-year property             |                                      |  | 25 yrs.             |                | S/L        |                            |
| h Residential rental property  |                                      |  | 27.5 yrs.           | MM             | S/L        |                            |
| i Nonresidential real property |                                      |  | 39 yrs.             | MM             | S/L        |                            |
|                                |                                      |  |                     | MM             | S/L        |                            |

**Section C - Alternative Depreciation System (ADS) (See page 4 of the instructions.)**

|                |  |  |         |     |     |
|----------------|--|--|---------|-----|-----|
| 16a Class life |  |  |         | S/L |     |
| b 12-year      |  |  | 12 yrs. | S/L |     |
| c 40-year      |  |  | 40 yrs. | MM  | S/L |

**Part III Other Depreciation (Do Not Include Listed Property.) (See page 4 of the instructions.)**

|   |    |       |
|---|----|-------|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1996 | 17 | 2,352 |
| 18 Property subject to section 168(f)(1) election   | 18 |       |
| 19 ACRS and other depreciation  | 19 | 4,048 |

**Part IV Summary (See page 4 of the instructions.)**

|   |    |       |
|---|----|-------|
| 20 Listed property. Enter amount from line 26   | 20 |       |
| 21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions | 21 | 6,415 |
| 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs  | 22 |       |

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Form 4562 (1996)

**Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement**

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See page 5 of the instructions for limitations for automobiles.)**

| 23a Do you have evidence to support the business/investment use claimed?                      |                               |   |                            | Yes  | No                     | 23b If "Yes," is the evidence written? |                               |                                 |  | Yes | No |
|---|-------------------------------|---|----------------------------|--|------------------------|--|-------------------------------|---------------------------------|--|-----|----|
| (a)<br>Type of property (list vehicles first)   | (b)<br>Date placed in service | (c)<br>Business/investment use percentage | (d)<br>Cost or other basis | (e)<br>Basis for depreciation (business/investment use only) | (f)<br>Recovery period | (g)<br>Method/Convention               | (h)<br>Depreciation deduction | (i)<br>Elected section 179 cost |  |     |    |
| 24 Property used more than 50% in a qualified business use (See page 5 of the instructions.): |                               |   |                            |  |                        |  |                               |                                 |  |     |    |
|   |                               | %   |                            |  |                        |  |                               |                                 |  |     |    |
|   |                               | %   |                            |  |                        |  |                               |                                 |  |     |    |
|   |                               | %   |                            |  |                        |  |                               |                                 |  |     |    |
| 25 Property used 50% or less in a qualified business use (See page 5 of the instructions.):   |                               |   |                            |  |                        | S/L -                                  |                               |                                 |  |     |    |
|   |                               | %   |                            |  |                        | S/L -                                  |                               |                                 |  |     |    |
|   |                               | %   |                            |  |                        | S/L -                                  |                               |                                 |  |     |    |
| 26 Add amounts in column (h). Enter the total here and on line 20, page 1                     |                               |   |                            |  |                        |  | 26                            |                                 |  |     |    |
| 27 Add amounts in column (i). Enter the total here and on line 7, page 1                      |                               |   |                            |  |                        |  | 27                            |                                 |  |     |    |

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

|  | (a)<br>Vehicle 1 | (b)<br>Vehicle 2 | (c)<br>Vehicle 3 | (d)<br>Vehicle 4 | (e)<br>Vehicle 5 | (f)<br>Vehicle 6 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| 28 Total business/investment miles driven during the year (DO NOT include commuting miles) |                  |                  |                  |                  |                  |                  |
| 29 Total commuting miles driven during the year  |                  |                  |                  |                  |                  |                  |
| 30 Total other personal (noncommuting) miles driven  |                  |                  |                  |                  |                  |                  |
| 31 Total miles driven during the year.<br>Add lines 28 through 30                          |                  |                  |                  |                  |                  |                  |
|  | Yes              | No               | Yes              | No               | Yes              | No               |
| 32 Was the vehicle available for personal use during off-duty hours?                       |                  |                  |                  |                  |                  |                  |
| 33 Was the vehicle used primarily by a more than 5% owner or related person?               |                  |                  |                  |                  |                  |                  |
| 34 Is another vehicle available for personal use?  |                  |                  |                  |                  |                  |                  |

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

|   | Yes | No |
|---|-----|----|
| 35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?  |     |    |
| 36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 6 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners |     |    |
| 37 Do you treat all use of vehicles by employees as personal use?   |     |    |
| 38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?   |     |    |
| 39 Do you meet the requirements concerning qualified automobile demonstration use? See page 6 of the instructions   |     |    |

**Note:** If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

**Part VI Amortization**

| (a)<br>Description of costs  | (b)<br>Date amortization begins | (c)<br>Amortizable amount | (d)<br>Code section | (e)<br>Amortization period or percentage | (f)<br>Amortization for this year |
|--|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 40 Amortization of costs that begins during your 1996 tax year:                        |                                 |                           |                     |  |                                   |
|  |                                 |                           |                     |  |                                   |
| 41 Amortization of costs that began before 1996  |                                 |                           |                     |  | 41                                |
| 42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return |                                 |                           |                     |  | 42                                |

INCOME TAX SCHEDULE  
ANTIOCH WATER COMPANY  
62-1528056  
1996

OTHER DEDUCTIONS:

|                                      |       |
|--------------------------------------|-------|
| SUPPLIES                             | 1,679 |
| TELEPHONE AND UTILITIES              | 1,425 |
| OFFICE SUPPLIES                      | 610   |
| GAS, OIL AND FUEL                    | 386   |
| MEALS AND ENTERTAINMENT (50% OF 200) | 100   |
| ADVERTISING                          | 5     |
| PROFESSIONAL FEES                    | 365   |
| BANK SERVICE CHARGES                 | 41    |
| TRAVEL EXPENSES                      | 3,163 |
| LEGAL AND ACCOUNTING                 | 825   |
| SUB-LET LABOR                        | 1,393 |
| DUES AND SUBSCRIPTIONS               | 234   |
| INSURANCE                            | 589   |

|       |        |
|-------|--------|
| TOTAL | 10,815 |
|-------|--------|

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**SCHEDULE K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

▶ See separate instructions.

OMB No. 1545-0099

**1996**

For calendar year 1996 or tax year beginning

, 1996, and ending

Partner's identifying number ▶ 414-80-8067

Partnership's identifying number ▶ 62-1528056

Partner's name, address, and ZIP code

Partnership's name, address, and ZIP code

TED R FIELDS  
T  
325 HUDSON LANE  
PARIS, TN 38242

ANTIOCH WATER COMPANY  
FIELDS TED R GEN PTR  
PO BOX 1614  
PARIS, TN 38242-1614

**A** This partner is a ☒ general partner ☐ limited partner  
☐ limited liability company member

**B** What type of entity is this partner? ▶ **INDIVIDUAL**

**C** Is this partner a ☒ domestic or a ☐ foreign partner?

**D** Enter partner's percentage of:

|                      | (i) Before change or termination | (ii) End of year |
|----------------------|----------------------------------|------------------|
| Profit sharing       | 50 %                             | 50 %             |
| Loss sharing         | 50 %                             | 50 %             |
| Ownership of capital | 50 %                             | 50 %             |

**E** IRS Center where partnership filed return:

MEMPHIS, TN

**F** Partner's share of liabilities (see instructions):

Nonrecourse

Qualified nonrecourse financing

Other

**G** Tax shelter registration number ▶

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

**I** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

**J Analysis of partner's capital account:**

| (a) Capital account at beginning of year |     | (b) Capital contributed during year  | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions                  | (e) Capital account at end of year (combine columns (a) through (d))  |
|--|-----|--|---|--|---|
|  |     |  |   | ( )  |   |
| (a) Distributive share item              |     |  | (b) Amount  | (c) 1040 filers enter the amount in column (b) on: |   |
| Income (Loss)                            | 1   | Ordinary income (loss) from trade or business activities   | 1   | 14,168   | See pages 5 and 6 of Partner's instructions for Schedule K-1 (Form 1065).                                   |
|  | 2   | Net income (loss) from rental real estate activities   | 2   |  |   |
|  | 3   | Net income (loss) from other rental activities   | 3   |  |   |
|  | 4   | Portfolio income (loss):   |   |  |   |
|  | a   | Interest   | 4a  | 18   | Sch. B, Part I, line 1  |
|  | b   | Dividends  | 4b  |  | Sch. B, Part II, line 5   |
|  | c   | Royalties  | 4c  |  | Sch. E, Part I, line 4  |
|  | d   | Net short-term capital gain (loss)   | 4d  |  | Sch. D, line 5, col. (f) or (g)   |
|  | e   | Net long-term capital gain (loss)  | 4e  |  | Sch. D, line 13, col. (f) or (g)  |
|  | f   | Other portfolio income (loss) (attach schedule)  | 4f  |  | Enter on applicable line of your return. See page 6 of Partner's instructions for Schedule K-1 (Form 1065). |
|  | 5   | Guaranteed payments to partner   | 5   |  |   |
| Deductions                               | 6   | Net gain (loss) under section 1231 (other than due to casualty or theft)                         | 6   |  | Enter on applicable line of your return.  |
|  | 7   | Other income (loss) (attach schedule)  | 7   |  | Sch. A, line 15 or 16   |
|  | 8   | Charitable contributions (see instructions) (attach schedule)                                    | 8   |  | See page 7 of Partner's instructions for Schedule K-1 (Form 1065).  |
|  | 9   | Section 179 expense deduction  | 9   | 8,750  |   |
| Investment interest                      | 10  | Deductions related to portfolio income (attach schedule)   | 10  |  | Form 4952, line 1   |
|  | 11  | Other deductions (attach schedule)   | 11  |  |   |
|  | 12a | Interest expense on investment debts   | 12a   |  |   |
| Credits                                  | b   | (1) Investment income included on lines 4a, 4b, 4c, and 4f above                                 | b(1)  | 18   | See page 7 of Partner's instructions for Schedule K-1 (Form 1065).  |
|  |     | (2) Investment expenses included on line 10 above  | b(2)  |  |   |
|  | 13a | Low-income housing credit:   |   |  | Form 8586, line 5   |
|  |     | (1) From section 42(j)(5) partnerships for property placed in service before 1990                | a(1)  |  |   |
|  |     | (2) Other than on line 13a(1) for property placed in service before 1990                         | a(2)  |  |   |
|  |     | (3) From section 42(j)(5) partnerships for property placed in service after 1989                 | a(3)  |  |   |
|  |     | (4) Other than on line 13a(3) for property placed in service after 1989                          | a(4)  |  |   |
|  | b   | Qualified rehabilitation expenditures related to rental real estate activities                   | 13b   |  | See page 8 of Partner's instructions for Schedule K-1 (Form 1065).  |
|  | c   | Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities | 13c   |  |   |
|  | d   | Credits related to other rental activities   | 13d   |  |   |
|  | 14  | Other credits  | 14  |  |   |

| (a) Distributive share item   |  | (b) Amount   | (c) 1040 filers enter the amount in column (b) on:  |
|---|--|--|---|
| Self-employment   | <b>15 a</b> Net earnings (loss) from self-employment . . . . .   | <b>15a</b> 14,168  | Sch. SE, Section A or B<br>See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).           |
|   | <b>b</b> Gross farming or fishing income . . . . .   | <b>15b</b>   |   |
|   | <b>c</b> Gross nonfarm income . . . . .  | <b>15c</b> 24,750  |   |
| Adjustments and Tax Preference Items                                      | <b>16 a</b> Depreciation adjustment on property placed in service after 1986   | <b>16a</b>   | See page 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251. |
|   | <b>b</b> Adjusted gain or loss . . . . .   | <b>16b</b>   |   |
|   | <b>c</b> Depletion (other than oil and gas) . . . . .  | <b>16c</b>   |   |
|   | <b>d (1)</b> Gross income from oil, gas, and geothermal properties . .   | <b>d(1)</b>  |   |
|   | <b>(2)</b> Deductions allocable to oil, gas, and geothermal properties   | <b>d(2)</b>  |   |
|   | <b>e</b> Other adjustments and tax preference items (attach schedule)  | <b>16e</b>   |   |
| Foreign Taxes   | <b>17 a</b> Type of income ▶   |  | Form 1116, check boxes  |
|   | <b>b</b> Name of foreign country or U.S. possession ▶  |  |   |
|   | <b>c</b> Total gross income from sources outside the United States (attach schedule) . . . . .   | <b>17c</b>   | Form 1116, Part I   |
|   | <b>d</b> Total applicable deductions and losses (attach schedule) . . .  | <b>17d</b>   |   |
|   | <b>e</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . .                                 | <b>17e</b>   | Form 1116, Part II<br>Form 1116, Part III   |
|   | <b>f</b> Reduction in taxes available for credit (attach schedule) . . . .   | <b>17f</b>   |   |
|   | <b>g</b> Other foreign tax information (attach schedule) . . . . .   | <b>17g</b>   | See Instructions for Form 1116.   |
|   | Other  | <b>18</b> Section 59(e)(2) expenditures: <b>a</b> Type ▶ |   |
| <b>b</b> Amount . . . . .   |  | <b>18b</b>   |   |
| <b>19</b> Tax-exempt interest income . . . . .                            |  | <b>19</b>  | Form 1040, line 8b  |
| <b>20</b> Other tax-exempt income . . . . .                               |  | <b>20</b>  | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).                                      |
| <b>21</b> Nondeductible expenses . . . . .                                |  | <b>21</b>  |   |
| <b>22</b> Distributions of money (cash and marketable securities) . . . . |  | <b>22</b>  |   |
| <b>23</b> Distributions of property other than money . . . . .            |  | <b>23</b>  |   |
| <b>24</b> Recapture of low-income housing credit:                         |  |  | Form 8611, line 8   |
| <b>a</b> From section 42(j)(5) partnerships . . . . .                     |  | <b>24a</b>   |   |
| <b>b</b> Other than on line 24a . . . . .                                 |  | <b>24b</b>   |   |
| Supplemental Information  | <b>25</b> Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed): |  |   |
|   |  |  |   |
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**SCHEDULE K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

▶ See separate instructions.

OMB No. 1545-0099

**1996**

For calendar year 1996 or tax year beginning

, 1996, and ending

Partner's identifying number ▶ 413-80-1753

Partnership's identifying number ▶ 62-1528056

Partner's name, address, and ZIP code

Partnership's name, address, and ZIP code

RANDY C ALLEN

ANTIOCH WATER COMPANY  
FIELDS TED R GEN PTR  
PO BOX 1614  
PARIS, TN 38242-1614

**A** This partner is a ☒ general partner ☐ limited partner  
☐ limited liability company member

**F** Partner's share of liabilities (see instructions):

Nonrecourse .....

Qualified nonrecourse financing .....

Other .....

**B** What type of entity is this partner? ▶ **INDIVIDUAL**

**C** Is this partner a ☒ domestic or a ☐ foreign partner?

**G** Tax shelter registration number ▶

**D** Enter partner's percentage of:

|                      | (I) Before change or termination | (II) End of year |
|----------------------|----------------------------------|------------------|
| Profit sharing       | ..... %                          | 50 %             |
| Loss sharing         | ..... %                          | 50 %             |
| Ownership of capital | ..... %                          | 50 %             |

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

**E** IRS Center where partnership filed return:  
MEMPHIS, TN

**I** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

**J Analysis of partner's capital account:**

| (a) Capital account at beginning of year |     | (b) Capital contributed during year  | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions | (e) Capital account at end of year (combine columns (a) through (d))   |
|--|-----|--|---|-----------------------------------|--|
|  |     |  |   | ( )                               |  |
| (a) Distributive share item              |     |  | (b) Amount  |                                   | (c) 1040 filers enter the amount in column (b) on:   |
| Income (Loss)                            | 1   | Ordinary income (loss) from trade or business activities   | 1   | 14,168                            | See pages 5 and 6 of Partner's Instructions for Schedule K-1 (Form 1065).  |
|  | 2   | Net income (loss) from rental real estate activities   | 2   |                                   |  |
|  | 3   | Net income (loss) from other rental activities   | 3   |                                   |  |
|  | 4   | Portfolio income (loss):   |   |                                   | Sch. B, Part I, line 1<br>Sch. B, Part II, line 5<br>Sch. E, Part I, line 4<br>Sch. D, line 5, col. (f) or (g)<br>Sch. D, line 13, col. (f) or (g)<br>Enter on applicable line of your return.<br>See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). |
|  | a   | Interest   | 4a  | 18                                |  |
|  | b   | Dividends  | 4b  |                                   |  |
|  | c   | Royalties  | 4c  |                                   |  |
|  | d   | Net short-term capital gain (loss)   | 4d  |                                   |  |
|  | e   | Net long-term capital gain (loss)  | 4e  |                                   |  |
|  | f   | Other portfolio income (loss) (attach schedule)  | 4f  |                                   |  |
|  | 5   | Guaranteed payments to partner   | 5   |                                   | Enter on applicable line of your return.<br>See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).   |
|  | 6   | Net gain (loss) under section 1231 (other than due to casualty or theft)                         | 6   |                                   |  |
|  | 7   | Other income (loss) (attach schedule)  | 7   |                                   | Enter on applicable line of your return.   |
| Deductions                               | 8   | Charitable contributions (see instructions) (attach schedule)                                    | 8   |                                   | Sch. A, line 15 or 16  |
|  | 9   | Section 179 expense deduction  | 9   | 8,750                             | See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).   |
|  | 10  | Deductions related to portfolio income (attach schedule)   | 10  |                                   |  |
|  | 11  | Other deductions (attach schedule)   | 11  |                                   |  |
| Investment Interest                      | 12a | Interest expense on investment debts   | 12a   |                                   | Form 4952, line 1  |
|  | b   | (1) Investment income included on lines 4a, 4b, 4c, and 4f above                                 | b(1)  | 18                                | See page 7 of Partner's Instructions for Schedule K-1 (Form 1065).   |
|  |     | (2) Investment expenses included on line 10 above  | b(2)  |                                   |  |
| Credits                                  | 13a | Low-income housing credit:   |   |                                   | Form 8586, line 5  |
|  |     | (1) From section 42(j)(5) partnerships for property placed in service before 1990                | a(1)  |                                   |  |
|  |     | (2) Other than on line 13a(1) for property placed in service before 1990                         | a(2)  |                                   |  |
|  |     | (3) From section 42(j)(5) partnerships for property placed in service after 1989                 | a(3)  |                                   |  |
|  |     | (4) Other than on line 13a(3) for property placed in service after 1989                          | a(4)  |                                   |  |
|  | b   | Qualified rehabilitation expenditures related to rental real estate activities                   | 13b   |                                   | See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).   |
|  | c   | Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities | 13c   |                                   |  |
|  | d   | Credits related to other rental activities   | 13d   |                                   |  |
|  | 14  | Other credits  | 14  |                                   |  |

| (a) Distributive share item               |   |             | (b) Amount | (c) 1040 filers enter the amount in column (b) on:  |
|---|---|-------------|------------|---|
| Self-employment                           | <b>15 a</b> Net earnings (loss) from self-employment . . . . .  | <b>15a</b>  | 14,168     | Sch. SE, Section A or B<br>See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).           |
|   | <b>b</b> Gross farming or fishing income . . . . .  | <b>15b</b>  |            |   |
|   | <b>c</b> Gross nonfarm income . . . . .   | <b>15c</b>  | 24,749     |   |
| Adjustments and Tax Preference Items      | <b>16 a</b> Depreciation adjustment on property placed in service after 1986  | <b>16a</b>  |            | See page 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251. |
|   | <b>b</b> Adjusted gain or loss . . . . .  | <b>16b</b>  |            |   |
|   | <b>c</b> Depletion (other than oil and gas) . . . . .   | <b>16c</b>  |            |   |
|   | <b>d (1)</b> Gross income from oil, gas, and geothermal properties . .  | <b>d(1)</b> |            |   |
|   | <b>(2)</b> Deductions allocable to oil, gas, and geothermal properties  | <b>d(2)</b> |            |   |
|   | <b>e</b> Other adjustments and tax preference items ( <i>attach schedule</i> )  | <b>16e</b>  |            |   |
| Foreign Taxes                             | <b>17 a</b> Type of income ▶  |             |            | Form 1116, check boxes  |
|   | <b>b</b> Name of foreign country or U.S. possession ▶   |             |            |   |
|   | <b>c</b> Total gross income from sources outside the United States ( <i>attach schedule</i> ) . . . . .   | <b>17c</b>  |            | Form 1116, Part I   |
|   | <b>d</b> Total applicable deductions and losses ( <i>attach schedule</i> ) . . . .  | <b>17d</b>  |            |   |
|   | <b>e</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . .  | <b>17e</b>  |            | Form 1116, Part II<br>Form 1116, Part III   |
|   | <b>f</b> Reduction in taxes available for credit ( <i>attach schedule</i> ) . . . .   | <b>17f</b>  |            |   |
|   | <b>g</b> Other foreign tax information ( <i>attach schedule</i> ) . . . . .   | <b>17g</b>  |            | See Instructions for Form 1116.   |
|   | <b>18</b> Section 59(e)(2) expenditures: <b>a</b> Type ▶  |             |            |   |
| Other                                     | <b>b</b> Amount . . . . .   | <b>18b</b>  |            | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).                                      |
|   | <b>19</b> Tax-exempt interest income . . . . .  | <b>19</b>   |            |   |
|   | <b>20</b> Other tax-exempt income . . . . .   | <b>20</b>   |            | Form 1040, line 8b  |
|   | <b>21</b> Nondeductible expenses . . . . .  | <b>21</b>   |            |   |
|   | <b>22</b> Distributions of money (cash and marketable securities) . . . .   | <b>22</b>   |            | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).                                      |
|   | <b>23</b> Distributions of property other than money . . . . .  | <b>23</b>   |            |   |
|   | <b>24</b> Recapture of low-income housing credit:   |             |            | Form 8611, line 8   |
|   | <b>a</b> From section 42(j)(5) partnerships . . . . .   | <b>24a</b>  |            |   |
| <b>b</b> Other than on line 24a . . . . . | <b>24b</b>  |             |            |   |
| Supplemental Information                  | <b>25</b> Supplemental information required to be reported separately to each partner ( <i>attach additional schedules if more space is needed</i> ): |             |            |   |
|   |   |             |            |   |
|   |   |             |            |   |
|   |   |             |            |   |
|   |   |             |            |   |
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|   |   |             |            |   |
|   |   |             |            |   |

**SCHEDULE K-1  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

► See separate instructions.

OMB No. 1545-0099

**1997**

For calendar year 1997 or tax year beg.

, 1997, & ending

, 19

**Partner's identifying number** ► 413-80-1753 **Partnership's identifying number** ► 62-1528056

Partner's name, address, and ZIP code

RANDY C ALLEN  
11230 HWY 79 NORTH  
BUCHANAN TN 38222

Partnership's name, address, and ZIP code

ANTIOCH WATER COMPANY  
FIELDS TED R GEN PTR  
PO BOX 1614  
PARIS, TN 38242-1614

**A** This partner is a ☒ general partner ☐ limited partner

☐ limited liability company member

**B** What type of entity is this partner? ► Individual

**C** Is this partner a ☒ domestic or a ☐ foreign partner?

**D** Enter partner's % of: (I) <sup>Before change or termination</sup> 50.0000 % (II) End of year 50.0000 %

Profit sharing ..... 50.0000 % 50.0000 %

Loss sharing ..... 50.0000 % 50.0000 %

Ownership of capital 50.0000 % 50.0000 %

**E** IRS Center where partnership filed return: MEMPHIS TN

**F** Partner's share of liabilities (see instructions):

Nonrecourse ..... \$

Qualified nonrecourse financing ..... \$

Other ..... \$

**G** Tax shelter registration no. ►

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

**I** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

**J Analysis of partner's capital account:**

| (a) Capital account at beginning of year | (b) Capital contributed during year | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions | (e) Capital account at end of year (combine columns (a) through (d)) |
|--|-------------------------------------|---|-----------------------------------|--|
|  |                                     | 13,686.   | ( )                               | 13,686.  |

| (a) Distributive share item |  | (b) Amount | (c) 1040 filers enter the amount in column (b) on:  |
|-----------------------------|--|------------|---|
| Income (Loss)               | 1 Ordinary income (loss) from trade or business activities .....   | 13,682.    | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|                             | 2 Net income (loss) from rental real estate activities .....   |            |   |
|                             | 3 Net income (loss) from other rental activities .....   |            |   |
|                             | 4 Portfolio income (loss):   |            | Sch. B, Part I, line 1<br>Sch. B, Part II, line 5<br>Sch. E, Part I, line 4<br>Sch. D, line 5, col. (f) |
|                             | a Interest .....   | 28.        |   |
|                             | b Dividends .....  |            |   |
|                             | c Royalties .....  |            |   |
|                             | d Net short-term capital gain (loss) .....   |            |   |
|                             | e Net long-term capital gain (loss):   |            | Sch. D, line 12, col. (g)<br>Sch. D, line 12, col. (f)<br>Enter on applicable line of your return.      |
|                             | (1) 28% rate gain (loss) .....   |            |   |
|                             | (2) Total for year .....   |            |   |
|                             | f Other portfolio income (loss) (attach schedule) .....  |            | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|                             | 5 Guaranteed payments to partner .....   |            |   |
|                             | 6 Net section 1231 gain (loss) (other than due to casualty or theft):                                    |            |   |
| Deductions                  | a 28% rate gain (loss) .....   |            | Enter on applicable line of your return.  |
|                             | b Total for year .....   |            |   |
|                             | 7 Other income (loss) (attach schedule) .....  |            | Sch. A, line 15 or 16   |
|                             | 8 Charitable contributions (see instructions) (attach schedule) .....                                    |            |   |
|                             | 9 Section 179 expense deduction .....  |            | See page 7 of Partner's Instructions for Sch. K-1 (Form 1065).  |
| Credits                     | 10 Deductions related to portfolio income (attach schedule) .....  |            |   |
|                             | 11 Other deductions (attach schedule) .....  |            | Form 8586, line 5   |
|                             | 12a Low-income housing credit:   |            |   |
|                             | (1) From section 42(j)(5) partnerships for property placed in service before 1990 .....                  | a(1)       |   |
|                             | (2) Other than on line 12a(1) for prop. placed in service before 1990 .....                              | a(2)       |   |
|                             | (3) From section 42(j)(5) partnerships for property placed in service after 1989 .....                   | a(3)       | See page 8 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|                             | (4) Other than on line 12a(3) for property placed in service after 1989 .....                            | a(4)       |   |
|                             | b Qualified rehabilitation expenditures related to rental real estate activities .....                   | 12b        |   |
|                             | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities ..... | 12c        |   |
|                             | d Credits related to other rental activities .....   | 12d        |   |
|                             | 13 Other credits .....   | 13         |   |

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1997

CAA 7 1065K112 NTF 12225 GLD 2867

#13

Form 1065

## U.S. Partnership Return of Income

OMB No. 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 1998, or tax year beg. \_\_\_\_\_, 1998, &amp; ending \_\_\_\_\_, 19 \_\_\_\_.

▶ See separate instructions.

1998

A Principal busn. activity  
**UTILITY**B Principal product/service  
**WATER COMPANY**C NEW business code no. (see  
pages 25-27 of instructions)  
**221300**Use the  
IRS  
label.  
Other-  
wise,  
please  
print  
or type.

Name of partnership, Number, street, and room or suite no., City or town, state, and ZIP code

**ANTIOCH WATER COMPANY****FIELDS TED R GEN PTR****PO BOX 1614****PARIS, TN 38242-1614**D Employer ID number  
**62-1528056**E Date business started  
**03/31/93**F Total assets (see pg. 10 of inst.)  
\$

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ \_\_\_\_\_

I Number of Schedules K-1. Attach one for each person who was a partner at any time during tax year ▶ **2**

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income

|    |   |    |         |    |         |
|----|---|----|---------|----|---------|
| 1a | Gross receipts or sales. . . . .  | 1a | 44,359. | 1c | 44,359. |
| b  | Less returns and allowances . . . . .   | 1b |         |    |         |
| 2  | Cost of goods sold (Schedule A, line 8) . . . . .   | 2  |         |    |         |
| 3  | Gross profit. Subtract line 2 from line 1c . . . . .  | 3  |         |    | 44,359. |
| 4  | Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule) . . . . . | 4  |         |    |         |
| 5  | Net farm profit (loss) (attach Schedule F (Form 1040)) . . . . .                                | 5  |         |    |         |
| 6  | Net gain (loss) from Form 4797, Part II, line 18 . . . . .                                      | 6  |         |    |         |
| 7  | Other income (loss) (attach schedule) . . . . .   | 7  |         |    |         |
| 8  | Total income (loss). Combine lines 3 through 7 . . . . .  | 8  |         |    | 44,359. |

Deductions

(see  
page 11  
of the  
instruc-  
tions for  
limita-  
tions)

|     |   |     |        |  |         |
|-----|---|-----|--------|--|---------|
| 9   | Salaries and wages (other than to partners) (less employment credits) . . . . .                 | 9   |        |  |         |
| 10  | Guaranteed payments to partners . . . . .   | 10  |        |  |         |
| 11  | Repairs and maintenance . . . . .   | 11  |        |  | 802.    |
| 12  | Bad debts . . . . .   | 12  |        |  |         |
| 13  | Rent . . . . .  | 13  |        |  |         |
| 14  | Taxes and licenses . . . . .  | 14  |        |  | 1,895.  |
| 15  | Interest . . . . .  | 15  |        |  | 518.    |
| 16a | Depreciation (if required, attach Form 4562) . . . . .  | 16a | 5,844. |  |         |
| b   | Less depreciation reported on Schedule A and elsewhere on return . . . . .                      | 16b |        |  |         |
| 16c |   | 16c |        |  | 5,844.  |
| 17  | Depletion (Do not deduct oil and gas depletion.) . . . . .                                      | 17  |        |  |         |
| 18  | Retirement plans, etc. . . . .  | 18  |        |  |         |
| 19  | Employee benefit programs . . . . .   | 19  |        |  |         |
| 20  | Other deductions (attach schedule) . . . . .  | 20  |        |  | 11,313. |
| 21  | Total deductions. Add the amounts shown in the far right column for lines 9 through 20. . . . . | 21  |        |  | 20,372. |

22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8 . . . . . 22 23,987.

Please  
Sign  
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member

Date

Paid  
Preparer's  
Use OnlyPreparer's  
signature

Date

Check if self-  
employed ▶ ☒Preparer's SSN  
**420-78-6837**Firm's name (or  
yours if self-  
employed) & address**JERRY C. BAILEY, CPA**  
**PO BOX 1410**  
**PARIS, TN**EIN ▶  
ZIP code ▶**62-1285057**  
**38242-1410**

For Paperwork Reduction Act Notice, see separate instructions.

Form 1065 (1998)

CAA 8 106512 NTF 17528 GLD 2864

EP

**Schedule A****Cost of Goods Sold** (see page 14 of the instructions)

|   |  |   |  |
|---|--|---|--|
| 1 | Inventory at beginning of year   | 1 |  |
| 2 | Purchases less cost of items withdrawn for personal use                                  | 2 |  |
| 3 | Cost of labor  | 3 |  |
| 4 | Additional section 263A costs (attach schedule)  | 4 |  |
| 5 | Other costs (attach schedule)  | 5 |  |
| 6 | <b>Total.</b> Add lines 1 through 5  | 6 |  |
| 7 | Inventory at end of year   | 7 |  |
| 8 | <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 |  |

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c). ☐ Yes ☒ No

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐ Yes ☒ No

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☒ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

**Schedule B****Other Information**

|    |   |     |    |
|----|---|-----|----|
| 1  | What type of entity is filing this return? Check the applicable box:  | Yes | No |
| a  | <input checked="" type="checkbox"/> General partnership   |     |    |
| b  | <input type="checkbox"/> Limited partnership  |     |    |
| c  | <input type="checkbox"/> Limited liability company  |     |    |
| d  | <input type="checkbox"/> Limited liability partnership  |     |    |
| e  | <input type="checkbox"/> Other ▶  |     |    |
| 2  | Are any partners in this partnership also partnerships?   |     | X  |
| 3  | Is this partnership a partner in another partnership?   |     | X  |
| 4  | Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below  |     | X  |
| 5  | Does this partnership meet ALL THREE of the following requirements?   |     |    |
| a  | The partnership's total receipts for the tax year were less than \$250,000;   |     |    |
| b  | The partnership's total assets at the end of the tax year were less than \$600,000; AND   |     |    |
| c  | Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.  |     |    |
|    | If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1   | X   |    |
| 6  | Does this partnership have any foreign partners?  |     | X  |
| 7  | Is this partnership a publicly traded partnership as defined in section 469(k)(2)?  |     | X  |
| 8  | Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?  |     | X  |
| 9  | At any time during calendar year 1998, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ |     | X  |
| 10 | During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 15 of the instructions  |     | X  |
| 11 | Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 6 of the instructions   |     | X  |

**Designation of Tax Matters Partner** (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

|                           |                                   |                           |             |
|---------------------------|-----------------------------------|---------------------------|-------------|
| Name of designated TMP    | TED R FIELDS                      | Identifying number of TMP | 414-80-8067 |
| Address of designated TMP | 325 HUTSON LANE<br>PARIS TN 38242 |                           |             |

CAA 8 106512 NTF 17529A GLD 2864

**Schedule K Partners' Shares of Income, Credits, Deductions, etc.**

| (a) Distributive share items  |   | (b) Total amount |         |
|---|---|------------------|---------|
| Income (Loss)   | 1 Ordinary income (loss) from trade or business activities (page 1, line 22) . . . . .                        | 1                | 23,987. |
|   | 2 Net income (loss) from rental real estate activities (attach Form 8825) . . . . .                           | 2                |         |
|   | 3a Gross income from other rental activities . . . . . 3a   |                  |         |
|   | b Expenses from other rental activities (attach schedule) . . . . . 3b  |                  |         |
|   | c Net income (loss) from other rental activities. Subtract line 3b from line 3a . . . . .                     | 3c               |         |
|   | 4 Portfolio income (loss):  |                  |         |
|   | a Interest income . . . . .   | 4a               | 221.    |
|   | b Ordinary dividends . . . . .  | 4b               |         |
|   | c Royalty income . . . . .  | 4c               |         |
|   | d Net short-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . .                                | 4d               |         |
|   | e Net long-term capital gain (loss) (attach Schedule D (Form 1065)):  |                  |         |
| (1) 28% rate gain (loss) ▶ (2) Total for year . . . . . ▶   | 4e(2)   |                  |         |
| f Other portfolio income (loss) (attach schedule) . . . . .                                       | 4f  |                  |         |
| 5 Guaranteed payments to partners . . . . .   | 5   |                  |         |
| 6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797) . . . . . | 6   | 2,000.           |         |
| 7 Other income (loss) (attach schedule) . . . . .   | 7   |                  |         |
| Deductions  | 8 Charitable contributions (attach schedule) . . . . .  | 8                |         |
|   | 9 Section 179 expense deduction (attach Form 4562) . . . . .  | 9                |         |
|   | 10 Deductions related to portfolio income (itemize) . . . . .   | 10               |         |
|   | 11 Other deductions (attach schedule) . . . . .   | 11               |         |
| Credits   | 12a Low-income housing credit:  |                  |         |
|   | (1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990 . . . . .  | 12a(1)           |         |
|   | (2) Other than on line 12a(1) for property placed in service before 1990 . . . . .                            | 12a(2)           |         |
|   | (3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989 . . . . .   | 12a(3)           |         |
|   | (4) Other than on line 12a(3) for property placed in service after 1989 . . . . .                             | 12a(4)           |         |
|   | b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468) . . . . . | 12b              |         |
|   | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities . . . . .  | 12c              |         |
|   | d Credits related to other rental activities . . . . .  | 12d              |         |
| 13 Other credits . . . . .  | 13  |                  |         |
| Investment Interest   | 14a Interest expense on investment debts . . . . .  | 14a              |         |
|   | b (1) Investment income included on lines 4a, 4b, 4c, and 4f above . . . . .                                  | 14b(1)           | 221.    |
|   | (2) Investment expenses included on line 10 above . . . . .   | 14b(2)           |         |
| Self-Employment   | 15a Net earnings (loss) from self-employment . . . . .  | 15a              | 23,987. |
|   | b Gross farming or fishing income . . . . .   | 15b              |         |
|   | c Gross nonfarm income . . . . .  | 15c              | 44,359. |
| Adjustments and Tax Preference Items  | 16a Depreciation adjustment on property placed in service after 1986 . . . . .                                | 16a              | 908.    |
|   | b Adjusted gain or loss . . . . .   | 16b              |         |
|   | c Depletion (other than oil and gas) . . . . .  | 16c              |         |
|   | d (1) Gross income from oil, gas, and geothermal properties . . . . .   | 16d(1)           |         |
|   | (2) Deductions allocable to oil, gas, and geothermal properties . . . . .                                     | 16d(2)           |         |
|   | e Other adjustments and tax preference items (attach schedule) . . . . .                                      | 16e              |         |
| Foreign Taxes   | 17a Type of income ▶  |                  |         |
|   | b Name of foreign country or U.S. possession ▶  |                  |         |
|   | c Total gross income from sources outside the United States (attach schedule) . . . . .                       | 17c              |         |
|   | d Total applicable deductions and losses (attach schedule) . . . . .  | 17d              |         |
|   | e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . . . . .   | 17e              |         |
|   | f Reduction in taxes available for credit (attach schedule) . . . . .   | 17f              |         |
|   | g Other foreign tax information (attach schedule) . . . . .   | 17g              |         |
| Other   | 18 Section 59(e)(2) expenditures: a Type ▶ b Amount . . . . . ▶   | 18b              |         |
|   | 19 Tax-exempt interest income . . . . .   | 19               |         |
|   | 20 Other tax-exempt income . . . . .  | 20               |         |
|   | 21 Nondeductible expenses . . . . . Statement Attached  | 21               | 4.      |
|   | 22 Distributions of money (cash and marketable securities) . . . . .  | 22               |         |
|   | 23 Distributions of property other than money . . . . .   | 23               |         |
|   | 24 Other items and amounts required to be reported separately to partners (attach schedule) . . . . .         |                  |         |

**Analysis of Net Income (Loss)**

|  |               |                          |                            |                  |                         |                    |                |
|--|---------------|--------------------------|----------------------------|------------------|-------------------------|--------------------|----------------|
| <b>1</b> Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17e, and 18b. |               |                          |                            |                  |                         | <b>1</b>           | <b>26,208.</b> |
| <b>2</b> Analysis by partner type:   | (I) Corporate | (II) Individual (active) | (III) Individual (passive) | (IV) Partnership | (V) Exempt organization | (VI) Nominee/Other |                |
| <b>a</b> General partners  |               | <b>26,208.</b>           |                            |                  |                         |                    |                |
| <b>b</b> Limited partners  |               |                          |                            |                  |                         |                    |                |

**Schedule L Balance Sheets per Books** (Not required if Question 5 on Schedule B is answered "Yes.")

| Assets  | Beginning of tax year |           | End of tax year |           |
|---|-----------------------|-----------|-----------------|-----------|
|   | (a)                   | (b)       | (c)             | (d)       |
| <b>1</b> Cash   |                       |           |                 |           |
| <b>2a</b> Trade notes and accounts receivable                 |                       |           |                 |           |
| <b>b</b> Less allowance for bad debts                         |                       |           |                 |           |
| <b>3</b> Inventories  |                       |           |                 |           |
| <b>4</b> U.S. government obligations                          |                       |           |                 |           |
| <b>5</b> Tax-exempt securities                                |                       |           |                 |           |
| <b>6</b> Other current assets (attach schedule)               |                       |           |                 |           |
| <b>7</b> Mortgage and real estate loans                       |                       |           |                 |           |
| <b>8</b> Other investments (attach schedule)                  |                       |           |                 |           |
| <b>9a</b> Buildings and other depreciable assets              |                       |           |                 |           |
| <b>b</b> Less accumulated depreciation                        |                       |           |                 |           |
| <b>10a</b> Depletable assets                                  |                       |           |                 |           |
| <b>b</b> Less accumulated depletion                           |                       |           |                 |           |
| <b>11</b> Land (net of any amortization)                      |                       |           |                 |           |
| <b>12a</b> Intangible assets (amortizable only)               |                       |           |                 |           |
| <b>b</b> Less accumulated amortization                        |                       |           |                 |           |
| <b>13</b> Other assets (attach schedule)                      |                       |           |                 |           |
| <b>14</b> Total assets  |                       | <b>0.</b> |                 | <b>0.</b> |
| <b>Liabilities and Capital</b>                                |                       |           |                 |           |
| <b>15</b> Accounts payable                                    |                       |           |                 |           |
| <b>16</b> Mortgages, notes, bonds payable in less than 1 year |                       |           |                 |           |
| <b>17</b> Other current liabilities (attach schedule)         |                       |           |                 |           |
| <b>18</b> All nonrecourse loans                               |                       |           |                 |           |
| <b>19</b> Mortgages, notes, bonds payable in 1 year or more   |                       |           |                 |           |
| <b>20</b> Other liabilities (attach schedule)                 |                       |           |                 |           |
| <b>21</b> Partners' capital accounts                          |                       |           |                 |           |
| <b>22</b> Total liabilities and capital                       |                       | <b>0.</b> |                 | <b>0.</b> |

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return** (Not required if Question 5 on Schedule B is answered "Yes." See page 23 of the instructions.)

|  |  |   |  |
|--|--|---|--|
| <b>1</b> Net income (loss) per books   |  | <b>6</b> Income recorded on books this year not included on Sch. K, lines 1-7 (itemize):  |  |
| <b>2</b> Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year:                      |  | <b>a</b> Tax-exempt int. \$   |  |
| <b>3</b> Guaranteed payments (other than health insurance)   |  | <b>7</b> Deductions included on Sch. K, lines 1 through 11, 14a, 17e, & 18b, not charged against book income this year (itemize): |  |
| <b>4</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17e, and 18b (itemize): |  | <b>a</b> Depr. \$   |  |
| <b>a</b> Depreciation \$   |  |   |  |
| <b>b</b> Travel and entertainment \$   |  | <b>8</b> Add lines 6 and 7  |  |
| <b>5</b> Add lines 1 through 4   |  | <b>9</b> Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.                                      |  |

**Schedule M-2 Analysis of Partners' Capital Accounts** (Not required if Question 5 on Schedule B is answered "Yes.")

|  |  |  |  |
|--|--|--|--|
| <b>1</b> Balance at beginning of year    |  | <b>6</b> Distributions: <b>a</b> Cash                        |  |
| <b>2</b> Capital contributed during year |  | <b>b</b> Property  |  |
| <b>3</b> Net income (loss) per books     |  | <b>7</b> Other decreases:                                    |  |
| <b>4</b> Other increases:                |  |  |  |
| <b>5</b> Add lines 1 through 4           |  | <b>8</b> Add lines 6 and 7                                   |  |
|  |  | <b>9</b> Balance at end of year. Subtract line 8 from line 5 |  |



**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

| 19 | (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:   | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |
|----|--|--------------------------------------|----------------------------------|
| A  | LAKE SIDE LAND   | 03/31/93                             | 05/01/98                         |
| B  |  |                                      |                                  |
| C  |  |                                      |                                  |
| D  |  |                                      |                                  |
|    | <b>These cols. relate to properties on lines 19A - 19D.</b>  |                                      |                                  |
|    |  | <b>Property A</b>                    | <b>Property B</b>                |
|    |  | <b>Property C</b>                    | <b>Property D</b>                |
| 20 | Gross sales price ( <b>Note:</b> See line 1 before completing.) . . .  | 20                                   | 4,000.                           |
| 21 | Cost or other basis plus expense of sale . . . . .   | 21                                   | 2,000.                           |
| 22 | Depreciation (or depletion) allowed or allowable . . . .   | 22                                   |                                  |
| 23 | Adjusted basis. Subtract line 22 from line 21 . . . . .  | 23                                   | 2,000.                           |
| 24 | Total gain. Subtract line 23 from line 20 . . . . .  | 24                                   | 2,000.                           |
| 25 | <b>If section 1245 property:</b>   |                                      |                                  |
| a  | Depreciation allowed or allowable from line 22 . . . . .   | 25a                                  |                                  |
| b  | Enter the <b>smaller</b> of line 24 or 25a . . . . .   | 25b                                  |                                  |
| 26 | <b>If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.                                       |                                      |                                  |
| a  | Additional depreciation after 1975 (see instructions) . .  | 26a                                  |                                  |
| b  | Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a (see instructions) . . . . .   | 26b                                  |                                  |
| c  | Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e . . . . .  | 26c                                  |                                  |
| d  | Additional depreciation after 1969 and before 1976 . .   | 26d                                  |                                  |
| e  | Enter the <b>smaller</b> of line 26c or 26d . . . . .  | 26e                                  |                                  |
| f  | Section 291 amount (corporations only) . . . . .   | 26f                                  |                                  |
| g  | Add lines 26b, 26e, and 26f . . . . .  | 26g                                  |                                  |
| 27 | <b>If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). |                                      |                                  |
| a  | Soil, water, and land clearing expenses . . . . .  | 27a                                  |                                  |
| b  | Line 27a multiplied by applicable percentage (see inst.) .   | 27b                                  |                                  |
| c  | Enter the <b>smaller</b> of line 24 or 27b . . . . .   | 27c                                  |                                  |
| 28 | <b>If section 1254 property:</b>   |                                      |                                  |
| a  | Intangible drilling & development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) . . . .                     | 28a                                  |                                  |
| b  | Enter the <b>smaller</b> of line 24 or 28a . . . . .   | 28b                                  |                                  |
| 29 | <b>If section 1255 property:</b>   |                                      |                                  |
| a  | Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .  | 29a                                  |                                  |
| b  | Enter the <b>smaller</b> of line 24 or 29a (see instructions) . .  | 29b                                  |                                  |

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

|    |   |    |        |
|----|---|----|--------|
| 30 | Total gains for all properties. Add property columns A through D, line 24 . . . . .   | 30 | 2,000. |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .  | 31 |        |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . . | 32 | 2,000. |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
See instructions.

|    |   | (a) Section 179 | (b) Section 280F(b)(2) |
|----|---|-----------------|------------------------|
| 33 | Section 179 expense deduction or depreciation allowable in prior years . . . . .                  | 33              |                        |
| 34 | Recomputed depreciation. See instructions . . . . .   | 34              |                        |
| 35 | Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . | 35              |                        |

# **Depreciation and Amortization** **(Including Information on Listed Property)**

OMB No. 1545-0172

**1998**  
Attachment  
Sequence No. 67

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return

**ANTIOCH WATER COMPANY**

Business or activity to which this form relates

**Form 1065 Line 16a**

Identifying number

**62-1528056**
**Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)**

|    |   |                              |                  |
|----|---|------------------------------|------------------|
| 1  | Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions . . . . .   | 1                            | \$18,500         |
| 2  | Total cost of section 179 property placed in service. See page 2 of the instructions . . . . .  | 2                            |                  |
| 3  | Threshold cost of section 179 property before reduction in limitation . . . . .   | 3                            | \$200,000        |
| 4  | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .  | 4                            |                  |
| 5  | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions . . . . . | 5                            | 18,500.          |
| 6  | (a) Description of property   | (b) Cost (business use only) | (c) Elected cost |
| 7  | Listed property. Enter amount from line 27 . . . . .  | 7                            |                  |
| 8  | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7. . . . .   | 8                            |                  |
| 9  | Tentative deduction. Enter the smaller of line 5 or line 8 . . . . .  | 9                            |                  |
| 10 | Carryover of disallowed deduction from 1997. See page 3 of the instructions. . . . .  | 10                           |                  |
| 11 | Business income limitation. Enter smaller of business income (not less than zero) or line 5 (see instructions). . . . .   | 11                           | 18,500.          |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .   | 12                           |                  |
| 13 | Carryover of disallowed deduction to 1999. Add lines 9 and 10, less line 12. . . . .  | 13                           |                  |

**Note:** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1998 Tax Year (Do Not Include Listed Property.)**
**Section A -- General Asset Account Election**

- 14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions. . . . . ☐

**Section B -- General Depreciation System (GDS) (See page 3 of the instructions.)**

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depr. (business/investment use only -- see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 15a 3-year property            |                                      |  |                     |                |            |                            |
| b 5-year property              |                                      |  |                     |                |            |                            |
| c 7-year property              |                                      |  |                     |                |            |                            |
| d 10-year property             |                                      |  |                     |                |            |                            |
| e 15-year property             |                                      |  |                     |                |            |                            |
| f 20-year property             |                                      |  |                     |                |            |                            |
| g 25-year property             |                                      |  | 25 yrs.             |                | S/L        |                            |
| h Residential rental property  |                                      |  | 27.5 yrs.           | MM             | S/L        |                            |
| i Nonresidential real property |                                      |  | 39 yrs.             | MM             | S/L        |                            |

**Section C -- Alternative Depreciation System (ADS) (See page 5 of the instructions.)**

|                |  |  |         |    |     |  |
|----------------|--|--|---------|----|-----|--|
| 16a Class life |  |  |         |    | S/L |  |
| b 12-year      |  |  | 12 yrs. |    | S/L |  |
| c 40-year      |  |  | 40 yrs. | MM | S/L |  |

**Part III Other Depreciation (Do Not Include Listed Property.) (See page 6 of the instructions.)**

|  |    |        |
|--|----|--------|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1998. . . . . | 17 | 1,796. |
| 18 Property subject to section 168(f)(1) election. . . . .   | 18 |        |
| 19 ACRS and other depreciation . . . . .   | 19 | 4,048. |

**Part IV Summary (See page 6 of the instructions.)**

|   |    |        |
|---|----|--------|
| 20 Listed property. Enter amount from line 26 . . . . .   | 20 |        |
| 21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations -- see instructions. . . . . | 21 | 5,844. |
| 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs. . . . .   | 22 |        |

Form 1065 - Deductions, Line 20  
Other Deductions

| Description                    | Amount  |
|--------------------------------|---------|
| SUPPLIES                       | 937.    |
| TELEPHONE                      | 29.     |
| UTILITIES                      | 925.    |
| OFFICE SUPPLIES                | 690.    |
| INSURANCE                      | 636.    |
| GAS, OIL AND FUEL              | 64.     |
| ADVERTISING                    | 99.     |
| PROFESSIONAL FEES              | 1,562.  |
| LEGAL AND ACCOUNTING           | 2,500.  |
| TRAVEL EXPENSES                | 3,296.  |
| SUB-LET LABOR                  | 570.    |
| MEALS & ENTERTAINMENT EXPENSES | 5.      |
| TOTAL                          | 11,313. |

Form 1065 - Schedule K, Line 21  
Nondeductible Expenses

| Description                    | Amount |
|--------------------------------|--------|
| MEALS & ENTERTAINMENT EXPENSES | 4.     |
| TOTAL                          | 4.     |

Partner's Share of Income, Credits, Deductions, etc.

See separate instructions.

OMB No. 1545-0099

1998

For calendar year 1998 or tax year beg.

, 1998, & ending

, 19

Partner's identifying number ▶ 414-80-8067

Partnership's identifying number ▶ 62-1528056

Partner's name, address, and ZIP code

TED R FIELDS  
325 HUTSON LANE  
PARIS TN 38242

Partnership's name, address, and ZIP code

ANTIOCH WATER COMPANY  
FIELDS TED R GEN PTR  
PO BOX 1614  
PARIS, TN 38242-1614

A This partner is a ☒ general partner ☐ limited partner  
☐ limited liability company member

B What type of entity is this partner? ▶ Individual

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's % of: (I) Before change or termination (II) End of year  
Profit sharing ..... 50. % 50. %  
Loss sharing ..... 50. % 50. %  
Ownership of capital ..... 50. % 50. %

E IRS Center where partnership filed return: MEMPHIS TN

F Partner's share of liabilities (see instructions):

Nonrecourse ..... \$  
Qualified nonrecourse financing ..... \$  
Other ..... \$

G Tax shelter registration no. ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

| (a) Capital account at beginning of year | (b) Capital contributed during year | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions | (e) Capital account at end of year (combine columns (a) through (d)) |
|--|-------------------------------------|---|-----------------------------------|--|
|  |                                     |   | ( )                               |  |

| (a) Distributive share item |  | (b) Amount | (c) 1040 filers enter the amount in column (b) on:  |
|-----------------------------|--|------------|---|
| Income (Loss)               | 1 Ordinary income (loss) from trade or business activities .....   | 1 11,993.  | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|                             | 2 Net income (loss) from rental real estate activities .....   | 2          |   |
|                             | 3 Net income (loss) from other rental activities .....   | 3          |   |
|                             | 4 Portfolio income (loss):   |            | Sch. B, Part I, line 1<br>Sch. B, Part II, line 5<br>Sch. E, Part I, line 4<br>Sch. D, line 5, col. (f)<br>Sch. D, line 12, col. (g)<br>Sch. D, line 12, col. (f)<br>Enter on applicable line of your return. |
|                             | a Interest .....   | 4a 110.    |   |
|                             | b Ordinary Dividends .....   | 4b         |   |
|                             | c Royalties .....  | 4c         |   |
|                             | d Net short-term capital gain (loss) .....   | 4d         |   |
|                             | e Net long-term capital gain (loss):   |            |   |
|                             | (1) 28% rate gain (loss) .....   | e(1)       |   |
|                             | (2) Total for year .....   | e(2)       | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).<br>Enter on applicable line of your return.  |
|                             | f Other portfolio income (loss) (attach schedule) .....  | 4f         |   |
|                             | 5 Guaranteed payments to partner .....   | 5          |   |
| Deductions                  | 6 Net section 1231 gain (loss) (other than due to casualty or theft) .....                               | 6 1,000.   | Sch. A, line 15 or 16<br>See page 7 and 8 of Partner's Instructions for Sch. K-1 (Form 1065).   |
|                             | 7 Other income (loss) (attach schedule) .....  | 7          |   |
|                             | 8 Charitable contributions (see instructions) (attach schedule) .....                                    | 8          |   |
|                             | 9 Section 179 expense deduction .....  | 9          |   |
| Credits                     | 10 Deductions related to portfolio income (attach schedule) .....  | 10         | Form 8586, line 5   |
|                             | 11 Other deductions (attach schedule) .....  | 11         |   |
|                             | 12a Low-income housing credit:   |            |   |
|                             | (1) From section 42(j)(5) partnerships for property placed in service before 1990 .....                  | a(1)       |   |
|                             | (2) Other than on line 12a(1) for prop. placed in service before 1990 .....                              | a(2)       | See page 8 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|                             | (3) From section 42(j)(5) partnerships for property placed in service after 1989 .....                   | a(3)       |   |
|                             | (4) Other than on line 12a(3) for property placed in service after 1989 .....                            | a(4)       |   |
|                             | b Qualified rehabilitation expenditures related to rental real estate activities .....                   | 12b        |   |
|                             | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities ..... | 12c        |   |
|                             | d Credits related to other rental activities .....   | 12d        |   |
|                             | 13 Other credits .....   | 13         |   |

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1998

ANTIOCH WATER COMPANY

62-1528056

414-80-8067

Page 2

Schedule K-1 (Form 1065) 1998

TED R FIELDS

| (a) Distributive share item               |  |             | (b) Amount | (c) 1040 filers enter the amount in column (b) on:   |
|---|--|-------------|------------|--|
| Investment Interest                       | <b>14a</b> Interest expense on investment debts . . . . .  | <b>14a</b>  |            | Form 4952, line 1<br>See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).  |
|   | <b>b (1)</b> Investment income included on lines 4a, 4b, 4c, and 4f . . . . .  | <b>b(1)</b> | 110.       |  |
|   | <b>(2)</b> Investment expenses included on line 10 . . . . .   | <b>b(2)</b> |            |  |
| Self-employment                           | <b>15a</b> Net earnings (loss) from self-employment . . . . .  | <b>15a</b>  | 11,993.    | Sch. SE, Section A or B<br>See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).  |
|   | <b>b</b> Gross farming or fishing income . . . . .   | <b>15b</b>  |            |  |
|   | <b>c</b> Gross nonfarm income . . . . .  | <b>15c</b>  | 22,179.    |  |
| Adjustments and Tax Preference Items      | <b>16a</b> Depreciation adjustment on property placed in service after 1986 . . . . .  | <b>16a</b>  | 454.       | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.  |
|   | <b>b</b> Adjusted gain or loss . . . . .   | <b>16b</b>  |            |  |
|   | <b>c</b> Depletion (other than oil and gas) . . . . .  | <b>16c</b>  |            |  |
|   | <b>d (1)</b> Gross income from oil, gas, and geothermal properties . . . . .   | <b>d(1)</b> |            |  |
|   | <b>(2)</b> Deductions allocable to oil, gas, and geothermal properties . . . . .   | <b>d(2)</b> |            |  |
|   | <b>e</b> Other adjustments and tax preference items (attach schedule) . . . . .  | <b>16e</b>  |            |  |
| Foreign Taxes                             | <b>17a</b> Type of income ▶ . . . . .  |             |            | Form 1116, check boxes<br><br>Form 1116, Part I<br><br>Form 1116, Part II<br>Form 1116, Part III<br>See Inst. for Form 1116.   |
|   | <b>b</b> Name of foreign country or possession ▶ . . . . .   |             |            |  |
|   | <b>c</b> Total gross income from sources outside the United States (attach schedule) . . . . .   | <b>17c</b>  |            |  |
|   | <b>d</b> Total applicable deductions and losses (attach schedule) . . . . .  | <b>17d</b>  |            |  |
|   | <b>e</b> Total foreign taxes (check one): . . . ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . . . . .                   | <b>17e</b>  |            |  |
|   | <b>f</b> Reduction in taxes available for credit (attach schedule) . . . . .   | <b>17f</b>  |            |  |
|   | <b>g</b> Other foreign tax information (attach schedule) . . . . .   | <b>17g</b>  |            |  |
| Other                                     | <b>18</b> Section 59(e)(2) expenditures: <b>a</b> Type ▶ . . . . .   |             |            | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).<br>Form 1040, line 8b<br><br>See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065)<br><br>Form 8611, line 8 |
|   | <b>b</b> Amount . . . . .  | <b>18b</b>  |            |  |
|   | <b>19</b> Tax-exempt interest income . . . . .   | <b>19</b>   |            |  |
|   | <b>20</b> Other tax-exempt income . . . . .  | <b>20</b>   |            |  |
|   | <b>21</b> Nondeductible expenses . . . . .   | <b>21</b>   | 2.         |  |
|   | <b>22</b> Distributions of money (cash and marketable securities) . . . . .  | <b>22</b>   |            |  |
|   | <b>23</b> Distributions of property other than money . . . . .   | <b>23</b>   |            |  |
|   | <b>24</b> Recapture of low-income housing credit:<br><b>a</b> From section 42(j)(5) partnerships . . . . .                                   | <b>24a</b>  |            |  |
| <b>b</b> Other than on line 24a . . . . . | <b>24b</b>   |             |            |  |
| Supplemental Information                  | <b>25</b> Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed): |             |            |  |
|   | See Statement(s) Attached  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |
|   |  |             |            |  |

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Supplemental Information For Schedule K-1

Prepared for: TED R FIELDS  
325 HUTSON LANE  
PARIS TN 38242  
Identifying Number: 414-80-8067

Line 21 Schedule K-1 (Form 1065)

Nondeductible expenses

| Description                    | Amount |
|--------------------------------|--------|
| -----                          | -----  |
| MEALS & ENTERTAINMENT EXPENSES | 2.     |
|                                | -----  |
| TOTAL                          | 2.     |
|                                | =====  |

**Partner's Share of Income, Credits, Deductions, etc.**

► See separate instructions.

OMB No. 1545-0099

**1998**

For calendar year 1998 or tax year beg.

, 1998, & ending

, 19

|  |   |
|--|---|
| <b>Partner's identifying number ►</b> 413-80-1753<br>Partner's name, address, and ZIP code<br>RANDY C ALLEN<br>11230 HWY 79 NORTH<br>BUCHANAN TN 38222   | <b>Partnership's identifying number ►</b> 62-1528056<br>Partnership's name, address, and ZIP code<br>ANTIOCH WATER COMPANY<br>FIELDS TED R GEN PTR<br>PO BOX 1614<br>PARIS, TN 38242-1614   |
| <b>A</b> This partner is a <input checked="" type="checkbox"/> general partner <input type="checkbox"/> limited partner<br><input type="checkbox"/> limited liability company member<br><b>B</b> What type of entity is this partner? ► <u>Individual</u><br><b>C</b> Is this partner a <input checked="" type="checkbox"/> domestic or a <input type="checkbox"/> foreign partner?<br><b>D</b> Enter partner's % of: (I) Before change or termination (II) End of year<br>Profit sharing ..... 50. % 50. %<br>Loss sharing ..... 50. % 50. %<br>Ownership of capital ..... 50. % 50. %<br><b>E</b> IRS Center where partnership filed return: <u>MEMPHIS TN</u> | <b>F</b> Partner's share of liabilities (see instructions):<br>Nonrecourse ..... \$ _____<br>Qualified nonrecourse financing ..... \$ _____<br>Other ..... \$ _____<br><b>G</b> Tax shelter registration no. ► _____<br><b>H</b> Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ..... <input type="checkbox"/><br><b>I</b> Check applicable boxes: (1) <input type="checkbox"/> Final K-1 (2) <input type="checkbox"/> Amended K-1 |

**J Analysis of partner's capital account:**

| (a) Capital account at beginning of year                                   | (b) Capital contributed during year  | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions | (e) Capital account at end of year (combine columns (a) through (d))  |
|--|--|---|-----------------------------------|---|
| (a) Distributive share item  |  |   |                                   |   |
|  |  |   | (b) Amount                        | (c) 1040 filers enter the amount in column (b) on:  |
| <b>Income (Loss)</b>   | 1 Ordinary income (loss) from trade or business activities .....   | 1   | 11,994.                           | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).<br><br>Sch. B, Part I, line 1<br>Sch. B, Part II, line 5<br>Sch. E, Part I, line 4<br>Sch. D, line 5, col. (f)<br><br>Sch. D, line 12, col. (g)<br>Sch. D, line 12, col. (f)<br>Enter on applicable line of your return.<br><br>See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).<br>Enter on applicable line of your return. |
|  | 2 Net income (loss) from rental real estate activities .....   | 2   |                                   |   |
|  | 3 Net income (loss) from other rental activities .....   | 3   |                                   |   |
|  | 4 Portfolio income (loss):   |   |                                   |   |
|  | a Interest .....   | 4a  | 111.                              |   |
|  | b Ordinary Dividends .....   | 4b  |                                   |   |
|  | c Royalties .....  | 4c  |                                   |   |
|  | d Net short-term capital gain (loss) .....   | 4d  |                                   |   |
|  | e Net long-term capital gain (loss):   |   |                                   |   |
|  | (1) 28% rate gain (loss) .....   | e(1)  |                                   |   |
| (2) Total for year .....   | e(2)   |   |                                   |   |
| f Other portfolio income (loss) (attach schedule) .....                    | 4f   |   |                                   |   |
| 5 Guaranteed payments to partner. ....                                     | 5  |   |                                   |   |
| 6 Net section 1231 gain (loss) (other than due to casualty or theft) ..... | 6  | 1,000.  |                                   |   |
| 7 Other income (loss) (attach schedule) .....                              | 7  |   |                                   |   |
| <b>Deductions</b>  | 8 Charitable contributions (see instructions) (attach schedule) .....                                    | 8   |                                   | Sch. A, line 15 or 16<br><br>See page 7 and 8 of Partner's Instructions for Sch. K-1 (Form 1065).   |
|  | 9 Section 179 expense deduction .....  | 9   |                                   |   |
|  | 10 Deductions related to portfolio income (attach schedule) .....  | 10  |                                   |   |
|  | 11 Other deductions (attach schedule) .....  | 11  |                                   |   |
| <b>Credits</b>   | 12a Low-income housing credit:   |   |                                   | Form 8586, line 5<br><br>See page 8 of Partner's Instructions for Sch. K-1 (Form 1065).   |
|  | (1) From section 42(j)(5) partnerships for property placed in service before 1990 .....                  | a(1)  |                                   |   |
|  | (2) Other than on line 12a(1) for prop. placed in service before 1990 .....                              | a(2)  |                                   |   |
|  | (3) From section 42(j)(5) partnerships for property placed in service after 1989 .....                   | a(3)  |                                   |   |
|  | (4) Other than on line 12a(3) for property placed in service after 1989 .....                            | a(4)  |                                   |   |
|  | b Qualified rehabilitation expenditures related to rental real estate activities .....                   | 12b   |                                   |   |
|  | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities ..... | 12c   |                                   |   |
|  | d Credits related to other rental activities .....   | 12d   |                                   |   |
| 13 Other credits .....   | 13   |   |                                   |   |

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1998

ANTIOCH WATER COMPANY

Schedule K-1 (Form 1065) 1998 RANDY C ALLEN

02-1328030

413-80-1753 Page 2

| (a) Distributive share item          |   | (b) Amount  | (c) 1040 filers enter the amount in column (b) on:  |
|--------------------------------------|---|-------------|---|
| Investment Interest                  | 14a Interest expense on investment debts  | 14a         | Form 4952, line 1<br>See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).           |
|                                      | b (1) Investment income included on lines 4a, 4b, 4c, and 4f  | b(1) 111.   |   |
|                                      | (2) Investment expenses included on line 10   | b(2)        |   |
| Self-employment                      | 15a Net earnings (loss) from self-employment  | 15a 11,994. | Sch. SE, Section A or B<br>See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).     |
|                                      | b Gross farming or fishing income   | 15b         |   |
|                                      | c Gross nonfarm income  | 15c 22,180. |   |
| Adjustments and Tax Preference Items | 16a Depreciation adjustment on property placed in service after 1986  | 16a 454.    | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251. |
|                                      | b Adjusted gain or loss   | 16b         |   |
|                                      | c Depletion (other than oil and gas)  | 16c         |   |
|                                      | d (1) Gross income from oil, gas, and geothermal properties   | d(1)        |   |
|                                      | (2) Deductions allocable to oil, gas, and geothermal properties   | d(2)        |   |
|                                      | e Other adjustments and tax preference items (attach schedule)  | 16e         |   |
| Foreign Taxes                        | 17a Type of income  |             | Form 1116, check boxes  |
|                                      | b Name of foreign country or possession   |             | Form 1116, Part I   |
|                                      | c Total gross income from sources outside the United States (attach schedule)   | 17c         |   |
|                                      | d Total applicable deductions and losses (attach schedule)  | 17d         |   |
|                                      | e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued                                     | 17e         | Form 1116, Part II  |
|                                      | f Reduction in taxes available for credit (attach schedule)   | 17f         | Form 1116, Part III   |
|                                      | g Other foreign tax information (attach schedule)   | 17g         | See Inst. for Form 1116.  |
| Other                                | 18 Section 59(e)(2) expenditures: a Type  |             | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).<br>Form 1040, line 8b          |
|                                      | b Amount  | 18b         |   |
|                                      | 19 Tax-exempt interest income   | 19          | See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065)                         |
|                                      | 20 Other tax-exempt income  | 20          |   |
|                                      | 21 Nondeductible expenses   | 21 2.       |   |
|                                      | 22 Distributions of money (cash and marketable securities)  | 22          |   |
|                                      | 23 Distributions of property other than money   | 23          | Form 8611, line 8   |
|                                      | 24 Recapture of low-income housing credit:  |             |   |
| a From section 42(j)(5) partnerships | 24a   |             |   |
| b Other than on line 24a             | 24b   |             |   |
| Supplemental Information             | 25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed): |             |   |
|                                      | See Statement(s) Attached   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |
|                                      |   |             |   |



\*\*\*\*\*

Supplemental Information For Schedule K-1

Prepared for: RANDY C ALLEN  
11230 HWY 79 NORTH  
BUCHANAN TN 38222  
Identifying Number: 413-80-1753

Line 21 Schedule K-1 (Form 1065)

Nondeductible expenses

| Description                    | Amount |
|--------------------------------|--------|
| -----                          | -----  |
| MEALS & ENTERTAINMENT EXPENSES | 2.     |
|                                | -----  |
| TOTAL                          | 2.     |
|                                | =====  |

**Schedule A Cost of Goods Sold** (see page 13 of the instructions)

|   |  |   |  |
|---|--|---|--|
| 1 | Inventory at beginning of year .....   | 1 |  |
| 2 | Purchases less cost of items withdrawn for personal use .....                                  | 2 |  |
| 3 | Cost of labor .....  | 3 |  |
| 4 | Additional section 263A costs (attach schedule) .....  | 4 |  |
| 5 | Other costs (attach schedule) .....  | 5 |  |
| 6 | <b>Total.</b> Add lines 1 through 5 .....  | 6 |  |
| 7 | Inventory at end of year .....   | 7 |  |
| 8 | <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 ..... | 8 |  |

**9a** Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) ▶

**b** Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c). ☐ Yes ☒ No

**c** Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐ Yes ☒ No

**d** Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☒ No

**e** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

**Schedule B Other Information**

|    |   |     |    |
|----|---|-----|----|
| 1  | What type of entity is filing this return? Check the applicable box:  | Yes | No |
| a  | <input checked="" type="checkbox"/> General partnership   |     |    |
| b  | <input type="checkbox"/> Limited partnership  |     |    |
| c  | <input type="checkbox"/> Limited liability company  |     |    |
| d  | <input type="checkbox"/> Other (see page 14 of the instructions). ▶   |     |    |
| 2  | Are any partners in this partnership also partnerships? .....   |     | X  |
| 3  | Is this partnership a partner in another partnership? .....   |     | X  |
| 4  | Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below. ....  |     | X  |
| 5  | Does this partnership meet ALL THREE of the following requirements?   |     |    |
| a  | The partnership's total receipts for the tax year were less than \$250,000;   |     |    |
| b  | The partnership's total assets at the end of the tax year were less than \$600,000; AND   |     |    |
| c  | Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.  |     |    |
|    | If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1 .....   | X   |    |
| 6  | Does this partnership have any foreign partners? .....  |     | X  |
| 7  | Is this partnership a publicly traded partnership as defined in section 469(k)(2)? .....  |     | X  |
| 8  | Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter? .....  |     | X  |
| 9  | At any time during calendar year 1997, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 14 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶ |     | X  |
| 10 | During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520 or 926. See page 14 of the instructions. ....   |     | X  |
| 11 | Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 5 of the instructions .....   |     | X  |

**Designation of Tax Matters Partner** (see page 15 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

|                           |                                     |                           |               |
|---------------------------|-------------------------------------|---------------------------|---------------|
| Name of designated TMP    | ▶ TED R FIELDS                      | Identifying number of TMP | ▶ 414-80-8067 |
| Address of designated TMP | ▶ 325 HUTSON LANE<br>PARIS TN 38242 |                           |               |

**Schedule K Partners' Shares of Income, Credits, Deductions, etc.**

| (a) Distributive share items   |   | (b) Total amount |         |
|--|---|------------------|---------|
| Income (Loss)  | 1 Ordinary income (loss) from trade or business activities (page 1, line 22)                        | 1                | 27,364. |
|  | 2 Net income (loss) from rental real estate activities (attach Form 8825)                           | 2                |         |
|  | 3a Gross income from other rental activities  | 3a               |         |
|  | b Expenses from other rental activities (attach schedule)   | 3b               |         |
|  | c Net income (loss) from other rental activities. Subtract line 3b from line 3a                     | 3c               |         |
|  | 4 Portfolio income (loss):  |                  |         |
|  | a Interest income   | 4a               | 56.     |
|  | b Dividend income   | 4b               |         |
|  | c Royalty income  | 4c               |         |
|  | d Net short-term capital gain (loss) (attach Schedule D (Form 1065))                                | 4d               |         |
|  | e Net long-term capital gain (loss) (attach Schedule D (Form 1065)):                                |                  |         |
| (1) 28% rate gain (loss) ▶ (2) Total for year ▶  | 4e(2)   |                  |         |
| f Other portfolio income (loss) (attach schedule)  | 4f  |                  |         |
| 5 Guaranteed payments to partners  | 5   |                  |         |
| 6 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797): |   |                  |         |
| a 28% rate gain (loss) ▶ b Total for year ▶  | 6b  |                  |         |
| 7 Other income (loss) (attach schedule)  | 7   |                  |         |
| Deductions   | 8 Charitable contributions (attach schedule)  | 8                |         |
|  | 9 Section 179 expense deduction (attach Form 4562)  | 9                |         |
|  | 10 Deductions related to portfolio income (itemize)   | 10               |         |
|  | 11 Other deductions (attach schedule)   | 11               |         |
| Credits  | 12a Low-income housing credit:  |                  |         |
|  | (1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990  | 12a(1)           |         |
|  | (2) Other than on line 12a(1) for property placed in service before 1990                            | 12a(2)           |         |
|  | (3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989   | 12a(3)           |         |
|  | (4) Other than on line 12a(3) for property placed in service after 1989                             | 12a(4)           |         |
|  | b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468) | 12b              |         |
|  | c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities  | 12c              |         |
| d Credits related to other rental activities   | 12d   |                  |         |
| 13 Other credits   | 13  |                  |         |
| Investment Interest  | 14a Interest expense on investment debts  | 14a              |         |
|  | b (1) Investment income included on lines 4a, 4b, 4c, and 4f above                                  | 14b(1)           | 56.     |
|  | (2) Investment expenses included on line 10 above   | 14b(2)           |         |
| Self-Employment  | 15a Net earnings (loss) from self-employment  | 15a              | 27,364. |
|  | b Gross farming or fishing income   | 15b              |         |
|  | c Gross nonfarm income  | 15c              | 51,108. |
| Adjustments and Tax Preference Items   | 16a Depreciation adjustment on property placed in service after 1986                                | 16a              | 302.    |
|  | b Adjusted gain or loss   | 16b              |         |
|  | c Depletion (other than oil and gas)  | 16c              |         |
|  | d (1) Gross income from oil, gas, and geothermal properties   | 16d(1)           |         |
|  | (2) Deductions allocable to oil, gas, and geothermal properties                                     | 16d(2)           |         |
|  | e Other adjustments and tax preference items (attach schedule)                                      | 16e              |         |
| Foreign Taxes  | 17a Type of income ▶  |                  |         |
|  | b Name of foreign country or U.S. possession ▶  |                  |         |
|  | c Total gross income from sources outside the United States (attach schedule)                       | 17c              |         |
|  | d Total applicable deductions and losses (attach schedule)  | 17d              |         |
|  | e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued   | 17e              |         |
|  | f Reduction in taxes available for credit (attach schedule)   | 17f              |         |
|  | g Other foreign tax information (attach schedule)   | 17g              |         |
| Other  | 18 Section 59(e)(2) expenditures: a Type ▶ b Amount ▶   | 18b              |         |
|  | 19 Tax-exempt interest income   | 19               |         |
|  | 20 Other tax-exempt income  | 20               |         |
|  | 21 Nondeductible expenses   | 21               | 48.     |
|  | 22 Distributions of money (cash and marketable securities)  | 22               |         |
|  | 23 Distributions of property other than money   | 23               |         |
|  | 24 Other items and amounts required to be reported separately to partners (attach schedule)         |                  |         |
|  |   |                  |         |

**Analysis of Net Income (Loss)**

|  |               |                          |                            |                  |                         |                    |         |
|--|---------------|--------------------------|----------------------------|------------------|-------------------------|--------------------|---------|
| 1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17e, and 18b |               |                          |                            |                  |                         | 1                  | 27,420. |
| 2 Analysis by partner type:  | (I) Corporate | (II) Individual (active) | (III) Individual (passive) | (IV) Partnership | (V) Exempt organization | (VI) Nominee/Other |         |
| a General partners   |               | 27,420.                  |                            |                  |                         |                    |         |
| b Limited partners   |               |                          |                            |                  |                         |                    |         |

**Schedule L Balance Sheets per Books** (Not required if Question 5 on Schedule B is answered "Yes.")

| Assets   | Beginning of tax year |     | End of tax year |     |
|--|-----------------------|-----|-----------------|-----|
|  | (a)                   | (b) | (c)             | (d) |
| 1 Cash   |                       |     |                 |     |
| 2a Trade notes and accounts receivable                 |                       |     |                 |     |
| b Less allowance for bad debts                         |                       |     |                 |     |
| 3 Inventories  |                       |     |                 |     |
| 4 U.S. government obligations                          |                       |     |                 |     |
| 5 Tax-exempt securities                                |                       |     |                 |     |
| 6 Other current assets (attach schedule)               |                       |     |                 |     |
| 7 Mortgage and real estate loans                       |                       |     |                 |     |
| 8 Other investments (attach schedule)                  |                       |     |                 |     |
| 9a Buildings and other depreciable assets              |                       |     |                 |     |
| b Less accumulated depreciation                        |                       |     |                 |     |
| 10a Depletable assets                                  |                       |     |                 |     |
| b Less accumulated depletion                           |                       |     |                 |     |
| 11 Land (net of any amortization)                      |                       |     |                 |     |
| 12a Intangible assets (amortizable only)               |                       |     |                 |     |
| b Less accumulated amortization                        |                       |     |                 |     |
| 13 Other assets (attach schedule)                      |                       |     |                 |     |
| 14 Total assets  |                       | 0.  |                 | 0.  |
| <b>Liabilities and Capital</b>                         |                       |     |                 |     |
| 15 Accounts payable                                    |                       |     |                 |     |
| 16 Mortgages, notes, bonds payable in less than 1 year |                       |     |                 |     |
| 17 Other current liabilities (attach schedule)         |                       |     |                 |     |
| 18 All nonrecourse loans                               |                       |     |                 |     |
| 19 Mortgages, notes, bonds payable in 1 year or more   |                       |     |                 |     |
| 20 Other liabilities (attach schedule)                 |                       |     |                 |     |
| 21 Partners' capital accounts                          |                       |     |                 |     |
| 22 Total liabilities and capital                       |                       | 0.  |                 | 0.  |

**Schedule M-1****Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

(Not required if Question 5 on Schedule B is answered "Yes." See page 23 of the instructions.)

|   |  |  |  |
|---|--|--|--|
| 1 Net income (loss) per books   |  | 6 Income recorded on books this year not included on Sch. K, lines 1-7 (itemize):  |  |
| 2 Income included on Sch. K, lines 1 through 4, 6, and 7, not recorded on books this year:                          |  | a Tax-exempt int. \$   |  |
| 3 Guaranteed payments (other than health insurance)   |  | 7 Deductions included on Sch. K, lines 1 through 11, 14a, 17e, & 18b, not charged against book income this year (itemize): |  |
| 4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17e, and 18b (itemize): |  | a Depr. \$   |  |
| a Depreciation \$   |  | 8 Add lines 6 and 7  |  |
| b Travel and entertainment \$   |  | 9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.                                      |  |
| 5 Add lines 1 through 4   |  |  |  |

**Schedule M-2****Analysis of Partners' Capital Accounts** (Not required if Question 5 on Schedule B is answered "Yes.")

|                                   |  |   |  |
|-----------------------------------|--|---|--|
| 1 Balance at beginning of year    |  | 6 Distributions: a Cash                               |  |
| 2 Capital contributed during year |  | b Property  |  |
| 3 Net income (loss) per books     |  | 7 Other decreases:                                    |  |
| 4 Other increases:                |  | 8 Add lines 6 and 7                                   |  |
| 5 Add lines 1 through 4           |  | 9 Balance at end of year. Subtract line 8 from line 5 |  |

# Depreciation and Amortization

## (Including Information on Listed Property)

OMB No. 1545-0172

1997

Attachment  
Sequence No. 67

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return

ANTIOCH WATER COMPANY

Business or activity to which this form relates

Form 1065 Line 16a

Identifying number

62-1528056

**Part I Election To Expense Certain Tangible Property (Section 179)** (Note: If you have any "listed property," complete Part V before you complete Part I.)

|    |   |                              |                  |
|----|---|------------------------------|------------------|
| 1  | Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions . . . . .   | 1                            | \$18,000         |
| 2  | Total cost of section 179 property placed in service. See page 2 of the instructions . . . . .  | 2                            | 816 .            |
| 3  | Threshold cost of section 179 property before reduction in limitation . . . . .   | 3                            | \$200,000        |
| 4  | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .  | 4                            |                  |
| 5  | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions . . . . . | 5                            | 18,000 .         |
| 6  | (a) Description of property   | (b) Cost (business use only) | (c) Elected cost |
| 7  | Listed property. Enter amount from line 27 . . . . .  | 7                            |                  |
| 8  | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .  | 8                            |                  |
| 9  | Tentative deduction. Enter the smaller of line 5 or line 8 . . . . .  | 9                            |                  |
| 10 | Carryover of disallowed deduction from 1996. See page 3 of the instructions . . . . .   | 10                           |                  |
| 11 | Business income limitation. Enter smaller of business income (not less than zero) or line 5 (see instructions) . .  | 11                           | 18,000 .         |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .   | 12                           |                  |
| 13 | Carryover of disallowed deduction to 1998. Add lines 9 and 10, less line 12 . . . . . ▶   | 13                           |                  |

**Note:** Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1997 Tax Year (Do Not Include Listed Property.)**
**Section A -- General Asset Account Election**

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions. . . . . ▶ ☐

**Section B -- General Depreciation System (GDS) (See page 3 of the instructions.)**

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depr. (business/investment use only -- see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 15a 3-year property            |                                      |  |                     |                |            |                            |
| b 5-year property              |                                      | 816 .  | 5 yr                | HY             | DDB        | 163 .                      |
| c 7-year property              |                                      |  |                     |                |            |                            |
| d 10-year property             |                                      |  |                     |                |            |                            |
| e 15-year property             |                                      |  |                     |                |            |                            |
| f 20-year property             |                                      |  |                     |                |            |                            |
| g 25-year property             |                                      |  | 25 yrs.             |                | S/L        |                            |
| h Residential rental property  |                                      |  | 27.5 yrs.           | MM             | S/L        |                            |
| i Nonresidential real property |                                      |  | 27.5 yrs.           | MM             | S/L        |                            |
|                                |                                      |  | 39 yrs.             | MM             | S/L        |                            |
|                                |                                      |  |                     | MM             | S/L        |                            |

**Section C -- Alternative Depreciation System (ADS) (See page 6 of the instructions.)**

|                |  |  |         |    |     |  |
|----------------|--|--|---------|----|-----|--|
| 16a Class life |  |  |         |    | S/L |  |
| b 12-year      |  |  | 12 yrs. |    | S/L |  |
| c 40-year      |  |  | 40 yrs. | MM | S/L |  |

**Part III Other Depreciation (Do Not Include Listed Property.)** (See page 6 of the instructions.)

|   |    |         |
|---|----|---------|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1997 . . . . . | 17 | 3,059 . |
| 18 Property subject to section 168(f)(1) election . . . . .   | 18 |         |
| 19 ACRS and other depreciation . . . . .  | 19 | 4,048 . |

**Part IV Summary** (See page 7 of the instructions.)

|  |    |         |
|--|----|---------|
| 20 Listed property. Enter amount from line 26 . . . . .  | 20 |         |
| 21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations -- see instructions . . . . . | 21 | 7,270 . |
| 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .   | 22 |         |

For Paperwork Reduction Act Notice, see the separate instructions.

Form 4562 (1997)

Company: ANTIOCH WATER COMPANY

EIN: 62-1528056

\*\*\*\*\*

Form 1065 - Deductions, Line 20  
Other Deductions

| Description                    | Amount  |
|--------------------------------|---------|
| SUPPLIES                       | 1,421.  |
| TELEPHONE                      | 28.     |
| UTILITIES                      | 1,134.  |
| OFFICE SUPPLIES                | 825.    |
| INSURANCE                      | 611.    |
| GAS, OIL AND FUEL              | 305.    |
| ADVERTISING                    | 152.    |
| PROFESSIONAL FEES              | 2,314.  |
| BANK CHARGES                   | 3.      |
| TRAVEL EXPENSES                | 3,273.  |
| SUB-LET LABOR                  | 1,083.  |
| Meals & entertainment expenses | 48.     |
| TOTAL                          | 11,197. |

Form 1065 - Schedule K, Line 21  
Nondeductible Expenses

| Description                    | Amount |
|--------------------------------|--------|
| Meals & entertainment expenses | 48.    |
| TOTAL                          | 48.    |

**SCHEDULE K-1  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**Partner's Share of Income, Credits, Deductions, etc.**

► See separate instructions.

OMB No. 1545-0099

For calendar year 1997 or tax year beg.

, 1997, & ending

, 19

**1997**

**Partner's identifying number** ► 414-80-8067

**Partnership's identifying number** ► 62-1528056

Partner's name, address, and ZIP code

TED R FIELDS  
325 HUTSON LANE  
PARIS TN 38242

Partnership's name, address, and ZIP code

ANTIOCH WATER COMPANY  
FIELDS TED R GEN PTR  
PO BOX 1614  
PARIS, TN 38242-1614

**A** This partner is a ☒ general partner ☐ limited partner  
☐ limited liability company member

**B** What type of entity is this partner? ► Individual

**C** Is this partner a ☒ domestic or a ☐ foreign partner?

**D** Enter partner's % of: (I) Before change or termination (II) End of year

|                            |           |           |
|----------------------------|-----------|-----------|
| Profit sharing .....       | 50.0000 % | 50.0000 % |
| Loss sharing .....         | 50.0000 % | 50.0000 % |
| Ownership of capital ..... | 50.0000 % | 50.0000 % |

**E** IRS Center where partnership filed return: MEMPHIS TN

**F** Partner's share of liabilities (see instructions):

Nonrecourse ..... \$ \_\_\_\_\_  
Qualified nonrecourse financing ..... \$ \_\_\_\_\_  
Other ..... \$ \_\_\_\_\_

**G** Tax shelter registration no. ► \_\_\_\_\_

**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

**I** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

**J Analysis of partner's capital account:**

| (a) Capital account at beginning of year | (b) Capital contributed during year | (c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2 | (d) Withdrawals and distributions | (e) Capital account at end of year (combine columns (a) through (d)) |
|--|-------------------------------------|---|-----------------------------------|--|
|  |                                     | 13,686.   |                                   | 13,686.  |

**(a) Distributive share item**

**(b) Amount**

**(c) 1040 filers enter the amount in column (b) on:**

|               |     |  |      |         |   |
|---------------|-----|--|------|---------|---|
| Income (Loss) | 1   | Ordinary income (loss) from trade or business activities .....   | 1    | 13,682. | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|               | 2   | Net income (loss) from rental real estate activities .....   | 2    |         |   |
|               | 3   | Net income (loss) from other rental activities .....   | 3    |         |   |
|               | 4   | Portfolio income (loss):   |      |         | Sch. B, Part I, line 1<br>Sch. B, Part II, line 5<br>Sch. E, Part I, line 4<br>Sch. D, line 5, col. (f)<br><br>Sch. D, line 12, col. (g)<br>Sch. D, line 12, col. (f)<br>Enter on applicable line of your return. |
|               | a   | Interest .....   | 4a   | 28.     |   |
|               | b   | Dividends .....  | 4b   |         |   |
|               | c   | Royalties .....  | 4c   |         |   |
|               | d   | Net short-term capital gain (loss) .....   | 4d   |         |   |
|               | e   | Net long-term capital gain (loss):   |      |         |   |
| Deductions    | (1) | 28% rate gain (loss) .....   | e(1) |         | See page 6 of Partner's Instructions for Sch. K-1 (Form 1065).  |
|               | (2) | Total for year .....   | e(2) |         |   |
|               | f   | Other portfolio income (loss) (attach schedule) .....  | 4f   |         |   |
|               | 5   | Guaranteed payments to partner .....   | 5    |         | Enter on applicable line of your return.<br><br>Sch. A, line 15 or 16<br><br>See page 7 of Partner's Instructions for Sch. K-1 (Form 1065).   |
|               | 6   | Net section 1231 gain (loss) (other than due to casualty or theft):                                    |      |         |   |
|               | a   | 28% rate gain (loss) .....   | 6a   |         |   |
|               | b   | Total for year .....   | 6b   |         | Form 8586, line 5<br><br>See page 8 of Partner's Instructions for Sch. K-1 (Form 1065).   |
|               | 7   | Other income (loss) (attach schedule) .....  | 7    |         |   |
|               | 8   | Charitable contributions (see instructions) (attach schedule) .....                                    | 8    |         |   |
|               | 9   | Section 179 expense deduction .....  | 9    |         |   |
| Credits       | 10  | Deductions related to portfolio income (attach schedule) .....   | 10   |         |   |
|               | 11  | Other deductions (attach schedule) .....   | 11   |         |   |
|               | 12a | Low-income housing credit:   |      |         |   |
|               | (1) | From section 42(j)(5) partnerships for property placed in service before 1990 .....                    | a(1) |         |   |
|               | (2) | Other than on line 12a(1) for prop. placed in service before 1990 .....                                | a(2) |         |   |
|               | (3) | From section 42(j)(5) partnerships for property placed in service after 1989 .....                     | a(3) |         |   |
|               | (4) | Other than on line 12a(3) for property placed in service after 1989 .....                              | a(4) |         |   |
|               | b   | Qualified rehabilitation expenditures related to rental real estate activities .....                   | 12b  |         |   |
|               | c   | Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities ..... | 12c  |         |   |
|               | d   | Credits related to other rental activities .....   | 12d  |         |   |
|               | 13  | Other credits .....  | 13   |         |   |

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 1997

| (a) Distributive share item          |  |             | (b) Amount | (c) 1040 filers enter the amount in column (b) on:  |
|--------------------------------------|--|-------------|------------|---|
| Investment Interest                  | <b>14a</b> Interest expense on investment debts  | <b>14a</b>  |            | Form 4952, line 1<br>See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).   |
|                                      | <b>b (1)</b> Investment income included on lines 4a, 4b, 4c, and 4f  | <b>b(1)</b> | 28.        |   |
|                                      | <b>(2)</b> Investment expenses included on line 10   | <b>b(2)</b> |            |   |
| Self-employment                      | <b>15a</b> Net earnings (loss) from self-employment  | <b>15a</b>  | 13,682.    | Sch. SE, Section A or B<br>See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).   |
|                                      | <b>b</b> Gross farming or fishing income   | <b>15b</b>  |            |   |
|                                      | <b>c</b> Gross nonfarm income  | <b>15c</b>  | 25,554.    |   |
| Adjustments and Tax Preference Items | <b>16a</b> Depreciation adjustment on property placed in service after 1986  | <b>16a</b>  | 151.       | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.   |
|                                      | <b>b</b> Adjusted gain or loss   | <b>16b</b>  |            |   |
|                                      | <b>c</b> Depletion (other than oil and gas)  | <b>16c</b>  |            |   |
|                                      | <b>d (1)</b> Gross income from oil, gas, and geothermal properties   | <b>d(1)</b> |            |   |
|                                      | <b>(2)</b> Deductions allocable to oil, gas, and geothermal properties   | <b>d(2)</b> |            |   |
|                                      | <b>e</b> Other adjustments and tax preference items (attach schedule)  | <b>16e</b>  |            |   |
| Foreign Taxes                        | <b>17a</b> Type of income ▶  |             |            | Form 1116, check boxes<br><br>Form 1116, Part I<br><br>Form 1116, Part II<br>Form 1116, Part III<br>See Inst. for Form 1116.  |
|                                      | <b>b</b> Name of foreign country or possession ▶   |             |            |   |
|                                      | <b>c</b> Total gross income from sources outside the United States (attach schedule)   | <b>17c</b>  |            |   |
|                                      | <b>d</b> Total applicable deductions and losses (attach schedule)  | <b>17d</b>  |            |   |
|                                      | <b>e</b> Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued                                     | <b>17e</b>  |            |   |
|                                      | <b>f</b> Reduction in taxes available for credit (attach schedule)   | <b>17f</b>  |            |   |
|                                      | <b>g</b> Other foreign tax information (attach schedule)   | <b>17g</b>  |            |   |
| Other                                | <b>18</b> Section 59(e)(2) expenditures: <b>a</b> Type ▶   |             |            | See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).<br>Form 1040, line 8b<br><br>See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).<br><br>Form 8611, line 8 |
|                                      | <b>b</b> Amount  | <b>18b</b>  |            |   |
|                                      | <b>19</b> Tax-exempt interest income   | <b>19</b>   |            |   |
|                                      | <b>20</b> Other tax-exempt income  | <b>20</b>   |            |   |
|                                      | <b>21</b> Nondeductible expenses   | <b>21</b>   | 24.        |   |
|                                      | <b>22</b> Distributions of money (cash and marketable securities)  | <b>22</b>   |            |   |
|                                      | <b>23</b> Distributions of property other than money   | <b>23</b>   |            |   |
|                                      | <b>24</b> Recapture of low-income housing credit:<br><b>a</b> From section 42(j)(5) partnerships   | <b>24a</b>  |            |   |
| <b>b</b> Other than on line 24a      | <b>24b</b>   |             |            |   |
| Supplemental Information             | <b>25</b> Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed): |             |            |   |
|                                      | See Statement(s) Attached  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |
|                                      |  |             |            |   |



## U.S. Partnership Return of Income

OMB No. 1545-0099

Department of the Treasury  
Internal Revenue Service

For calendar year 1997, or tax year beg. \_\_\_\_\_, 1997, &amp; ending \_\_\_\_\_, 19 \_\_\_\_

▶ See separate instructions.

1997

**A** Principal busn. activity  
UTILITY**B** Principal product/service  
WATER COMPANY**C** Business code number  
4400Use the  
IRS  
label.  
Other-  
wise,  
please  
print  
or type.

Name of partnership, Number, street, and room or suite no., City or town, state, and ZIP code

ANTIOCH WATER COMPANY

FIELDS TED R GEN PTR

PO BOX 1614

PARIS, TN 38242-1614

**D** Employer ID number

62-1528056

**E** Date business started

03/31/93

**F** Total assets (see pg. 10 of inst.)

\$

**G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return**H** Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during tax year ▶ 2**Caution:** Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income

**1a** Gross receipts or sales. ....**1a**

51,108.

**b** Less returns and allowances. ....**1b****1c**

51,108.

**2** Cost of goods sold (Schedule A, line 8). ....**2****3** Gross profit. Subtract line 2 from line 1c. ....**3**

51,108.

**4** Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule). ....**4****5** Net farm profit (loss) (attach Schedule F (Form 1040)). ....**5****6** Net gain (loss) from Form 4797, Part II, line 18. ....**6****7** Other income (loss) (attach schedule). ....**7****8** Total income (loss). Combine lines 3 through 7. ....**8**

51,108.

Deductions

(see  
page 11  
of the  
instruc-  
tions for  
limita-  
tions)**9** Salaries and wages (other than to partners) (less employment credits). ....**9****10** Guaranteed payments to partners. ....**10****11** Repairs and maintenance. ....**11**

3,695.

**12** Bad debts. ....**12****13** Rent. ....**13****14** Taxes and licenses. ....**14**

77.

**15** Interest. ....**15**

1,505.

**16a** Depreciation (if required, attach Form 4562). ....**16a**

7,270.

**b** Less depreciation reported on Schedule A and elsewhere on return. ....**16b****16c**

7,270.

**17** Depletion (Do not deduct oil and gas depletion). ....**17****18** Retirement plans, etc. ....**18****19** Employee benefit programs. ....**19****20** Other deductions (attach schedule). ....**20**

11,197.

**21** Total deductions. Add the amounts shown in the far right column for lines 9 through 20. ....**21**

23,744.

**22** Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8. ....**22**

27,364.

Please  
Sign  
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member

Date

Paid  
Preparer's  
Use OnlyPreparer's  
signature

Date

03/03/98

Check if self-  
employed ☒

Preparer's SSN

420-78-6837

Firm's name (or  
yours if self-  
employed) & address

JERRY C. BAILEY, CPA

PO BOX 1410

PARIS, TN

EIN ▶

62-1285057

ZIP code ▶

38242-1410

Supporting Schedules - 1997  
Company: ANTIOCH WATER COMPANY

Page: 1  
EIN: 62-1528056

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Supplemental Information For Schedule K-1

Prepared for: TED R FIELDS  
325 HUTSON LANE  
PARIS TN 38242  
Identifying Number: 414-80-8067

Line 21 Schedule K-1 (Form 1065)

Nondeductible expenses

| Description                    | Amount |
|--------------------------------|--------|
| -----                          | -----  |
| Meals & entertainment expenses | 24.    |
|                                | -----  |
| TOTAL                          | 24.    |
|                                | =====  |